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# *Public Hearing*

before

## JOINT COMMITTEE ON THE PUBLIC SCHOOLS SCHOOL FACILITIES SUBCOMMITTEE

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**LOCATION:** Stanley S. Bergen Building  
UMDNJ  
Newark, New Jersey

**DATE:** March 25, 2003  
3:30 p.m.

**MEMBERS OF SUBCOMMITTEE PRESENT:**

Assemblyman Craig A. Stanley, Chair  
Senator Ronald L. Rice  
Assemblyman Patrick J. Diegnan Jr.

**ALSO PRESENT:**

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



*Hearing Recorded and Transcribed by*  
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**ASSEMBLYMAN CRAIG A. STANLEY (Chairman):** Okay, we're going to go ahead and call the meeting to order.

I'd like to thank all of you for coming out.

Maybe we can have a roll call.

MS. DeMARCO (Executive Assistant): Senator Rice.

SENATOR RICE: Here.

MS. DeMARCO: Assemblyman Diegnan.

ASSEMBLYMAN DIEGNAN: Here.

MS. DeMARCO: Assemblyman Stanley.

ASSEMBLYMAN STANLEY: Here.

Thank you very much.

Again, I want to thank all of you for coming out. It's very important.

One of the things we did the latter part of last year -- I guess it was around October -- is, we had a joint hearing of the Assembly Education Committee, the Senate Ed, and the Joint Committee on the Public Schools, dealing with school construction. And we had-- Actually, we had two hearings, one dealing with public input, as far as how things were going with respect to school construction, out there in the field; what people were seeing, in terms of progress; and what kind of impediments people were running into.

And we're talking about a number of issues, not just the school construction itself, but also the implementation of things like minority contracts; local participation, meaning the hiring of local people in these school buildings, in the school contracts, and the actual employment of local people; and also the issue of community schools, where schools would not just be an

institution that would educate students from 8:00 to 3:00, but also be available for community use -- after-school programs, as well as community programs. And even community libraries and community gymnasium facilities, things that would serve more than just, as I said, an 8 to 3 building that's underutilized.

And, certainly, last but not least, that this school construction program, which is a tremendous program in and of itself, would be a program that would help create an economic development tool for the local communities, as well.

So these are some of the issues that were brought up at the last meeting. And we gave a directive to the newly appointed President of the School Construction Corporation, Al McNeil, that we were giving him an opportunity to change or to impact some of the commentary and some of the issues that were brought up, and that we would be looking to hear from him in early spring with respect to: Where we are regarding school construction starting, and shovels in the ground; and also, where we were with respect to our community schools initiatives, our minority hiring, and our minority contracting.

So here we are today, following up on that -- on those hearings, and we'll be hearing testimony today from some of the organizations that have been monitoring school construction. And, of course, on Thursday, we'll be hearing from Al McNeil and some of the people in the Department of Education, the Attorney General's Office, and, as I said, the School Construction Corporation, to get an idea of what they have done to address some of the concerns.

We have-- I'm very pleased to have Senator Ron Rice, my running mate in the 28th Legislative District, and a very good Assemblyman and a very caring Assemblyman, especially with respect to education issues; Assemblyman Pat Diegnan, who is my colleague in the State Assembly and is doing a tremendous job, as well, in his district, as well as on the statewide issue of education--

So I'm going to ask Senator Rice and then Assemblyman Diegnan if they have some opening comments.

SENATOR RICE: Thank you, Mr. Chairman.

First of all, let me just indicate to those who may not know it, I am the Chairman of the Joint Committee on the Public Schools. This is one of the Subcommittees we have. And I have to commend both the Assembly persons who are here for taking a strong interest in their Committee assignments as Chairs of their respective Committees. There are other Committees, as well, that we are trying to encourage to start to host Subcommittee meetings. This whole Abbott district legislation becomes very important in all those particular areas.

We will be hosting some additional meetings throughout the budget break. In fact, one is tomorrow -- Thursday, I believe, in Trenton. And I will be attempting to host a full Committee meeting of the Joint Committee on the Public Schools during the month of April. There's a lot of catching up to do as it relates to all the issues affecting the Abbott districts, including the situation with the Abbott school's funding as it relates to increased taxes versus what's constitutionally correct and wrong. It's something we will take up at another time.

I also want to take the opportunity to personally commend Al McNeil, from the Corporation, now. He came on board, and he met with those of us in Committee, he met with those of us on this Subcommittee, and we raised some real serious issues and concerns with him, as was stated by Assemblyman Craig Stanley.

And I have to say that a person who came on as an individual with nothing, in terms of the structure, nothing in terms of the kind of personnel he needs-- He had been up and down this state really trying hard to put together one of the greatest concerns of school construction, and that is local and minority participation and bonding, and how do we make those things work.

And every document that we have received to date, that I have reviewed, and every conversation I've had with him, made me realize he's one individual that may not be able to do it all by himself, but certainly is working hard to carry out the mission, as well as to make sure that there is local involvement.

And so, Assemblyman Stanley, I want to commend you once again for your energies on this issue, which is probably the most important issue in the State right now, parallel, I guess -- maybe not the most important, but it certainly has the same ranking as medical health care and the budget, itself.

So with that, we're here to listen and to try to see where we are.

ASSEMBLYMAN STANLEY: Thank you, Senator.

Assemblyman Pat Diegnan.

ASSEMBLYMAN DIEGNAN: Thank you, Craig.

I'm just going to be brief. I'm the student here today, not the teacher. I want to listen.

The sense that I've had-- When I was first elected and I met with the Speaker and he asked me which Committees did I want to be placed on, I told him, first and foremost, Education, and he was gracious enough to put me on the Education Committee. I've learned a lot from Senator Rice and Assembly person Stanley, and from the other members of the Committee.

I'm going to be honest with you, and I'm going to be all ears today. The sense I have received at all of the meetings that I've attended is that, to date, we are not where we should be, and that sense of frustration, up and down the line, from terms of completion of new construction, community involvement, expansion of facilities-- I don't know how we got to the point that we're at now. I have my suspicions. But I'm always a great believer in: How do we go forward from here? And that's what I'm really here to listen to, today.

Thank you for letting me participate.

ASSEMBLYMAN STANLEY: Thank you, Assemblyman Diegnan.

Okay, we have our first witness, Brandi Colander, from LISC, Local Initiatives Support Corporation.

Is Brandi--

Hi, Brandi.

**BRANDI COLANDER:** Good afternoon.

ASSEMBLYMAN STANLEY: Good afternoon.

MS. COLANDER: My name is Brandi Colander, and I'm an Assistant Program Officer with the Local Initiatives Support Corporation in Trenton, New Jersey.

The Local Initiatives Support Corporation, LISC, was created in 1979 to support the extraordinary potential of community development corporations, also known as CDCs, to transform distressed neighborhoods into healthy and vital communities. We are an intermediary that pools financial and technical resources from corporations, foundations, individual investors, and the government to deliver capital and technical expertise to CDCs and their communities.

We like to consider ourselves the very essence of the public and private partnership. LISC understands that community and economic development goes beyond housing and commercial facilities. It must also include those facilities, like community-provided preschools, that will enable children to reach their full potential and attain economic self-sufficiency in adulthood.

It, therefore, comes as no surprise to any of you that we are ardent supporters of the Abbott decision and the New Jersey School Construction Program. We are especially supportive of the provision that calls for access to high-quality preschools for 3- and 4-year-olds in the State of New Jersey, in particular in 30 of New Jersey's poorest cities and educationally challenged districts.

All of the New Jersey Multi-City LISC municipalities are Abbott districts. We are the largest provider of predevelopment and construction funding for New Jersey's nonprofit community providers of preschool children

and education. Our investment in our children and their future is in excess of \$1.6 million.

Quality preschools are an absolute necessity for low-income working parents whose very employment is a critical step in the process of neighborhood revitalization. The demand for quality preschools has skyrocketed, while the supply has remained woefully inadequate. District-run classes will serve only 30 percent of the total, while the community providers we work with at LISC will serve 70 percent.

The State's avowed commitment to early childhood initially left us inspired that the School Construction Program had a plan of action for facilities for our future generations. However, after taking a closer look, in conjunction with the Coalition for Our Children's Schools, it has become evident that progress is stagnant and the priority has not been placed on the ones who cannot protect themselves.

Presently, early childhood facilities' standards are not included in the proposed regulations, therefore making it impossible to plan preschool construction and renovation. A simple resolution would be to adopt preschool facilities' standards and enforce its implementation.

In addition to lack of direction, it is distressing to the groups that we work with and serve to know that 70 percent of Abbott preschool children have virtually no access to facilities' dollars from the Educational Facilities Construction and Financing Act. This makes our fieldwork extremely difficult, because the support of the State seems vague, at best. When we're out in the field, we're constantly questioned by our groups, "Can we receive State

funding?” Our response, “Do you own the land? Are you in the Long-Range Facilities Plan?” Every day, a new criteria, and every day progress is halted.

It is time for the Department of Education to develop regulations to include community providers in the district long-range facilities planning process, and to fund the community providers that have been successfully filling the void for generations now. At the heart of these issues, you will find two underlying themes, lack of direction and lack of priority.

The delays and missteps that have plagued the implementation of the new school construction and its facilities have left thousands of 3- and 4-year-olds that much farther behind. Empirical data shows that children who have a high-quality preschool experience develop better learning skills, work habits, and peer relationships than those who do not.

Abbott, Abbott, Abbott, and Abbott, again. It’s the buzz word for years now. But have you stopped to question where Mr. Abbott is today? He’s somewhere in the bowels of the New Jersey State prison system. Call me naive, but I feel that somehow we have let him down. Every year, we fail yet another generation. After all, you’re only 3 or 4 once.

Thank you.

Do you want us to stay here for comments?

ASSEMBLYMAN STANLEY: Does anyone have any questions?

(no response)

Has there been any indication from the Department of Education, with respect to when or if they will be coming out with regulations for preschool? And are there absolutely no regulations right now for construction of preschool projects?

MS. COLANDER: No, what we hear, it's changing. What we hear in some districts -- like, you take Irvington, for example, where they are exclusively community providers for preschool facilities, and then you look at other districts where they have a combination, and you look at other districts where -- like in Elizabeth, for instance -- where they would ideally like to have it only within the school districts. The Superintendent's very opposed to having community providers funded on a separate level.

So the point, I guess, is that you're constantly hearing different views, and we can't get a clear answer from the Department of Education.

ASSEMBLYMAN STANLEY: Wasn't there an early childhood education facility that was recently completed in one of the Abbott districts?

MS. COLANDER: The wing of it.

ASSEMBLYMAN STANLEY: Oh, Burlington City.

MS. COLANDER: Pipeline projects, nothing started new.

ASSEMBLYMAN STANLEY: Okay, all right.

SENATOR RICE: One of the things, Mr. Chairman, through you, is that prior to Abbott's decision, we knew it was coming down, but we had legislation -- I still think it's still there -- where we recognized that we were in this debate over early childhood education. And the debate was preschool versus day care. And we argued -- I argued -- that you don't separate the population. Call it what you want, it's the same population. And we're never going to have enough facilities to address that 3 bracket.

And therefore, we have to take a look at day-care facilities. And there needs to be funding to retrofit those facilities and to make them work,

which would help fill the void in some of the areas where you may not have enough space or you may not be doing new construction.

That bill really never got passed the Republicans. And the Governor had indicated, at that time -- or, at least, the administration indicated that they would take another look at how to treat those facilities.

Since then, as you indicated, nothing has been done, and it's something that we're going to have to, probably, raise through this Committee and may have to, at some point in time, do some legislation on it.

Hopefully, as we continue to move through this whole process, it will get addressed, because there are differences. And the difference was not only the preschools and day cares, etc., it was profit versus nonprofit. And the question is, what can you do? That may be why it never got addressed, because do you put it all in the mix, or do you, kind of, isolate the nonprofit versus the profit, geographic versus whatever? I don't know.

MS. COLANDER: Or do you look at who's performed.

SENATOR RICE: Well, you have to look at all of it, I think, because if you take the President's theme, No Child Left Behind-- Forget about the substance of this legislation, because that has no real meaning. But if you take the theme, then you have to look at all of it, the private and the public and everything else.

MS. COLANDER: I agree.

ASSEMBLYMAN STANLEY: Thank you, Senator.

Do you have any questions, Mr. Diegnan?

ASSEMBLYMAN DIEGNAN: If you had the ability to make it all right, what should be done right now? When you said establish regulations, what type of regulations would you think would be appropriate?

MS. COLANDER: I think it needs to be required that they're put into the Long-Range Facilities Plans. The biggest frustration that I've experienced -- and I'm new to LISC. I've been there for about nine months now. But it's so obvious -- the fact that we are lenders by trade. And we're in a position to give money and really start the process. But the real issue is that we don't know what the legislation dictates. And that just seems like such an anomaly to me. That just, for whatever reason, does not resonate well.

So the thing that I would like to see happen is just hear, clearly, what the specs are, what you are requiring of community-provided preschools, because those are the ones that we're able to fund -- only nonprofits who've been around for generations now -- what they need to do to remain afloat, because they're the ones who have been educating the kids for so long now.

ASSEMBLYMAN DIEGNAN: When you say -- you're talking about in terms of facilities, the staff.

MS. COLANDER: Right. One moment we hear they have to own the land. Well, do they have to own the land in order to be able to move beyond this process or not? Do they have to be included in the Long-Range Facilities Plan or not? And who's going to push that agenda, not just put it on the books? Because these are Abbott districts by trait, they're clearly short of resources. Who's going to ensure that that takes place? That just seems to be the most apparent thing for me, as a rookie. I hope that answers--

ASSEMBLYMAN DIEGNAN: And right now, there are no regulations, nothing to look at, no place for you to start?

MS. COLANDER: As far as I'm concerned, it seems like there are more myths.

ASSEMBLYMAN DIEGNAN: Okay.

SENATOR RICE: When you said, who owns the land, you're talking about for new construction.

MS. COLANDER: Right.

SENATOR RICE: Well, we have to look at that, because I'm not so sure if you really have to, necessarily, have to own the land. You may be, to a degree, somewhat landlocked in a community--

MS. COLANDER: Right.

SENATOR RICE: --but have available space that someone's willing to do a long-term lease on the land for new construction. Then it becomes-- Then you put reverter clauses back, saying, "Well, if, in fact, it ever stopped being used for this particular use, it reverts back to such-and-such -- State or whatever.

MS. COLANDER: Right.

SENATOR RICE: So, you're right. We need to get some clarity, and maybe that's what we need to start working on.

We'll ask staff to make a note on that. That's something you need to bring up -- we may have to legislate the clarity.

ASSEMBLYMAN STANLEY: Right.

Also, Ms. Colander, if you could, and I know it's probably a heavy task within the next day, but we will be meeting with -- we'll have a follow-up

hearing with the Department of Education and the CEO of the School Construction Corporation to address some of these issues that you're bringing out. And perhaps some of the parameters, and I'm sure that you have them--

Is Joyce Harley -- is she still with LISC, as well?

MS. COLANDER: She couldn't be here today. She sent me.

ASSEMBLYMAN STANLEY: We've worked with Joyce on a number of occasions even when she was with the Coalition for Our Children's Schools.

MS. COLANDER: Right.

ASSEMBLYMAN STANLEY: And perhaps you can delineate some of the specific parameters that you need in order for you to do your job, because you're there to help finance these institutions, but it's very difficult to do that when you don't have any clear direction, or anything legally binding that would say that these providers are going to be in business four or five years from now. So you bring up an excellent point. I appreciate your coming.

Any other questions from the members of the Committee? (no response)

We're going to go now to Cindy Rice, from the Association for Children of New Jersey, ACNJ.

SENATOR RICE: Did you know that's my sister? (laughter)

**CYNTHIA RICE:** That's right.

We always have this conversation, Senator Rice.

Thank you for the opportunity to come and speak to you.

ASSEMBLYMAN STANLEY: I thought it was your wife.  
(laughter)

ASSEMBLYMAN DIEGNAN: Wouldn't wish that on her.  
(laughter)

MS. RICE: I'm happily married for almost 19 years.

Thank you for the opportunity to come to speak to you today, also, on preschool facilities.

Just on a personal note, thank you for coming to Newark, because this makes my commute home a lot easier. So I know it was easier for Senator Rice and Assemblyman Stanley. Thank you for coming here.

The Association for Children of New Jersey has been involved in the preschool issue of ensuring high-quality early childhood education, almost since the Abbott V decision in 1997, and has really played an integral component in the implementation of Abbott. Our Executive Director has chaired the Early Care in Education Coalition for five years now.

And we have also been involved with the coalition to save our children's schools, including up to the recent Report Card that has come out that, I believe, Mrs. Ponessa, from the Education Law Center, made copies of. We're trying to save a few trees, so we work together and make sure we weren't duplicating information for you.

I just wanted to talk a little bit and expand on what Ms. Colander spoke about. In the 1998 Abbott decision, the Supreme Court ordered the State of New Jersey to provide adequate preschool facilities in the Abbott school districts. And the Court also agreed with the Commissioner of Education that the construction of preschool facilities must be a top priority.

And then in 1999, the New Jersey Legislature passed the Facilities Construction and Financing Act to comply with Abbott V, and provide the funding for construction and renovation.

But while both the mandate and the money seem to exist for construction and renovation of early childhood facilities, with few exceptions, as we noted just a few minutes ago, neither renovation or construction is currently taking place. And there really are two reasons why so little has been accomplished since the legislation was passed several years ago.

First of all, there really has been a lack of Department of Education leadership in the area of preschool facilities, and the facilities funding formula cannot be accessed, as Ms. Colander pointed out, by many of those who house Abbott preschool children. It's really our fear, our organization's fear, that the combined reasons, really, could undermine the success of the collaborative process between school districts and subcontracting community providers, and thus -- and here's the key -- really directly impact the quality of preschool programs for New Jersey's youngest, neediest children.

First, I want to talk a little bit about -- and that will, kind of, expand on some -- and answer some of the questions that you had, Assemblyman Stanley.

First, there are three divisions in the Department of Education right now who have some level of control on preschool facilities. One is the Office of Early Childhood, one is the Division of Abbott Implementation, and the other is the Division of Finance. And it often appears that these three divisions are not successfully collaborating, and the main reason is because no

one is coordinating the planning, the development, and the construction of preschool facilities. There really is no overall statewide plan in place.

And in an example of that, we can talk about the facilities' standards. That is the clearest of examples of how the Department of Education, within itself, really isn't working together.

In this past summer, the Office of Early Childhood recognized the importance of developing a set of quality facilities' standards. If we're going to spend this money, what should a quality facilities' standards look like? So the Office of Early Childhood convened a group of early childhood stakeholders -- which included architects, and community providers, and public school people, and members of the Department of Education and Human Services -- to come up with what these facilities standards should look like. I don't want to minimize the importance of that, because no other state has done anything like that. So you had this group, they developed this facilities' standards, and they finished them at the end of August.

Now, when the final version was sent to the Department of Education, the Subcommittee, this group, sent a supporting letter, which is included -- behind my testimony is a packet that includes both the standards themselves and this letter that I refer to, stating that many of the districts with early childhood facilities' projects really needed the standards immediately, and since time was of the essence, the group, as a whole, agreed that the standards should go through the most expedient governmental process that would accomplish that end.

Now, after a few months, members of this Subcommittee, including myself, started asking, "Well, where are these standards that were

already done? What's taking so long?" We got a varied level of responses, one of them being that the Office of Early Childhood was not responsible for actually bringing them to code, but the Division of Finance was. Now, I don't know what the Division of Finance knows about early childhood facilities, but they are responsible for getting those into code. We also heard the person that was working -- was on vacation. The result is, nearly nine months later, there has been no action by the Department of Education to formally adopt the standards, even though they've been developed by their own committee. So it is really critical for the Department of Education to provide more leadership to districts as they plan for preschool facilities.

One thing that the State must do, regardless of who in the Department of Education is doing it, is they need to develop a comprehensive and inclusive facilities planning process for districts to follow. That does not exist right now. And this is, for nothing else, cost-effective. This process must begin with a facilities assessment of all the building housing preschool -- Abbott preschoolers. Without such an assessment, districts really don't have the information that's necessary to make informed decisions about both expansion and renovation.

There must be mechanisms to guarantee that all buildings housing preschool programs are of a similar quality, regardless of whether they are district programs or they are in community-provider buildings. This goal of providing a similar quality building for all Abbott 3- and 4-year-olds, frankly, right now, though, is nearly impossible because of the current funding stream for construction and renovation of preschool facilities.

Now, under the facilities legislation, no community provider can receive funding for either construction or renovation unless they are included in the long-range facility plan. Now, the district has the option of including -- the option, and that's the critical word -- including community providers who own their own building in the facilities -- in their long-range facility plan. Now, these two sentences are really fueling the debate as to where preschool facilities are being built or renovated.

Now, as was said before, currently 70 percent of Abbott preschoolers are housed in community providers or Head Start facilities. And of this 70 percent, 60 percent are in leased facilities. The current wording of the facilities legislation, coupled with, really, frankly, the Department's lack of leadership, has left only those children in public preschools with real access to the facilities dollars. That's 30 percent of the children. And there are two reasons for this.

Now, even though a district may be subcontracting with community providers for preschool, the district, as I said before, is under no obligation to include them, only -- is under -- I'm sorry -- no obligation to include any but owner-operated in their long-range facility plan. And the result is that they are not including them.

Now, superintendents give many reasons why they don't want to include them, but the bottom -- the overarching is the funding. With a limited pool of funding, Abbott superintendents feel that their K-12 classrooms may never be built if they give the facilities dollars to community providers. The wording of the current legislation really pits preschool construction against K-12 construction.

And the other reason is, none of the facilities money has been earmarked for these facilities. The Department of Education isn't even talking about what to do with facilities construction or renovation for nearly half of the kids where they're housed in these facilities, because they really have no access to the funding to meet the standards. So even if the standards ever become adopted, only 30 percent of where Abbott preschoolers are housed have the access to the dollars to get to the standards. So they'll be worth nothing.

Now, just a couple -- I'll just end with a couple of comments or recommendations. Joan Ponessa, from the Education Law Center, and I developed -- it's also in your packet -- just a few pages on what's going on. This is, kind of, an overview, and includes some recommendations, which includes that preschool facilities standards must be adopted immediately, that the Department of Education must develop specific regulations and guidelines for helping districts to develop a complete facilities planning process. And that process has to begin with a facilities assessment. The DOE must develop policy and recommendations on funding for preschool facilities based on the Supreme Court decision, so that districts don't feel that they're going to jeopardize their K-12 facilities if they say, "I've got to build-- I need to include community providers in my long-range facility plan." And they have to figure out what to do with the leased facilities. This has to be a thoughtful planning process. It has to be developed by the Department of Education.

Thank you.

ASSEMBLYMAN STANLEY: Okay, thank you very much. I appreciate your testimony.

Why don't we have the Education Law Center's representative, Joan Ponessa, come forward?

**JOAN PONESSA:** Good afternoon, and thank you very much for the opportunity to speak to you today.

As most of you know, I am the Director of Research at the Education Law Center, and one of my major responsibilities is to monitor the implementation of the Abbott School Construction Program.

Today, I would just like to make two major points. I've limited it to two, because there are other individuals here today, like Mrs. Rice and Irene Sterling, who are going to speak on other pieces of the Abbott School Construction Program, and we've, kind of, tried to coordinate some of that.

I want you to know that the Law Center is behind the Coalition for Our Children's Schools Report Card, which came out on March 17. And because Karla Spivey, the Executive Director, is not able to be here today, I brought copies in case some of you don't have copies. And I think that there are many issues spelled out in that report card in great detail, and you certainly will want to take a look at that.

On a positive note, let me, first of all, tell you that New Jersey is really a star, the envy of other states around the country and communities that are interested in promoting good facilities for urban students.

I just returned from a national meeting two weeks ago, and I cannot tell you how many times people in the audience commented on New Jersey and how they are approaching the school facilities issues for the urban districts.

We have three things in place. First of all, we have the Abbott decisions, which is the legal requirement that we do this. Second of all, we have the EFCFA legislation, which provides the funding -- 100 percent funding for the Abbott districts. No other state has that. And then we have the Governor's Executive Order Number 24 from last summer. And this established the Schools Construction Corporation, as well as the requirements for high-performance buildings.

So it's the combination of these three pronouncements that provide the framework for what is now labeled high-performance buildings, high-performance school buildings. And this is a term that's been coined by the industry around the country for schools that have certain characteristics. And among these characteristics, they have to be educationally adequate, community-centered, sustainable, cost-effective, healthy, and safe.

But, and there's a big *but* in New Jersey, we may have these three pronouncements in place, but the districts and the State agencies have to understand the implementation process, and they have to work together to promote good policies to implement these pronouncements. The first steps in high-performance schools, the most significant pieces, are what's needed, and those are educationally adequate schools with community input into the design. Those are the first two important pieces.

And as part of that process, we need to think about the Facilities Efficiency Standards, which is my first major point today. All districts in New Jersey suffer from the stifling imposition of the State's development of models, or Facilities Efficiency Standards, commonly known as FES. Basically, the standards assign the square footage amount per student, based on grade level

and appropriate classroom types for elementary, middle, and high schools. Essentially, this process attempts to equate a building's educational adequacy only to square footage, not to educational needs or the programs offered in those buildings.

These models were developed in 1998, and contrary to popular opinion, were never part of the court decisions. They are the biggest obstacle to creative thinking for planning future school buildings suitable for the delivery of the educational programs that will serve the students for the next 50 or more years. The FES were developed by non-educators with the overriding goal of controlling costs. Although the DOE suggests that the models reflect the spaces necessary to carry out the Core Curriculum Content Standards, no one has ever demonstrated how this is possible. Setting limits on spending is a perfectly legitimate goal, but restricting school design to models appropriate for the 1950s learning environment is not a valid approach.

New Jersey needs a vision for schools that can be translated locally into well-designed school facilities that will serve the neediest children for years to come. The dollars now available for new and renovated buildings must not be wasted by constructing school buildings that will never serve the needs of students. According to the EFCFA, the Commissioner of Education must review the FES every few years to determine consistency with the Core Curriculum Content Standards. The latest review, according to EFCFA, was due March of 2002, and, to date, they have not been revised.

Now, please do not assume that we are suggesting that the square-foot allowance be increased -- in other words, that the schools become more

expensive. The square footages under the law are within national averages and, combined with the Abbott districts' ability to request additional space under particularized need, no change is really necessary in the square footage. It's the model, itself, that is the problem.

The Facilities Efficiency Standards do not support current educational best practices. They are out of sync with the national educational trends and established research about the way children learn. The FES are oriented toward a one-size-fits-all cookie cutter solution, and make few allowances for schools that do not conform to pre-established modes. They do not take into account 21st century classrooms. A half century ago, classrooms were teacher-centered, with a lecture format. Now they are student-centered, with small group instruction and interactivities. In the past, students received reams of paper and had access to a library with only books. Now, instruction is computer-based, with access to media centers and libraries.

I'll skip over some of the details of the FES, but I do want to point out to you that we have offered some recommendations for the Facilities Efficiency Standards, as well as we have offered recommendations for community participation guidelines. All of this information is on our Web site. It's probably too lengthy for me to go through today. But I just want you to know that the front end of this process really, really needs work, because we have to have schools that are educationally adequate. That's the most important thing in the whole building process. And it's receiving the least amount of concern.

The Efficiency Standards should be flexible enough to allow districts to adapt their programs within the square footage, have a clear

relationship to the Core Curriculum Content Standards, and accommodate multiple teaching approaches, provide a mechanism for approval and funding of additional spaces beyond the square footage for community use, also with -- there may be need for alternative sources of funding. We need recommendations for that. And they need to be adaptable for schools with different grade structures and enrollment size. They should allow a district-wide approach to planning schools with square footage related not only to the individual buildings, but to other non-traditional school structures, such as academies, magnet schools, special education centers, or alternative schools. They should allow for the construction of schools that are smaller than the suggested models. Recent research suggests that schools with smaller enrollments are better for urban children. They also should contain general guidelines for outdoor play space, parking, recreation, greenhouses, gardens, or environmental classrooms. And they should incorporate the latest information technology standards, something that is absolutely lacking from the present efficiency standards. And, of course, once this is implemented, they need to require community input. That's my first major point.

Our second point, today, that we'd like to make is the issue of equity. Although the pace of the School Construction Program has picked up significantly in the last few months, the number of schools under development is still very small compared to the overall need.

The construction program is very uneven. Eight Abbott districts have no projects actually under development, while Trenton School District has 10 and Neptune Township has eight. This uneven distribution of projects reflects how aggressively some local districts have moved projects forward,

while others, such as Camden, have made little or no progress. It should be noted, however, that some districts, which have had a major problem obtaining sites -- and that is preventing them from proposing additional projects for the time being. Newark and Elizabeth are probably the most -- are the best examples of the difficulty in obtaining sites.

I also want you to know that only 25 percent of the buildings under development at the present time are designed to house even any of our youngest students, which are the preschoolers. And Cynthia has just pointed out to you some of the major problems in the preschool area. I'm not going to go into any detail on that. There is, also, a piece in this school Report Card on the preschool issues.

As far as this area is concerned, the most critical problem affecting these issues is the failure of the Department of Education to supervise district activity and take corrective action when a district is not vigorously moving forward toward school construction. Many of these Abbott districts need help with planning the locations for new schools and other significant implementation issues, for instance: swing space, renovation versus new construction, incorporation of community spaces, assessing preschool facilities for community providers, etc.

Many of these districts have not built schools for 20 or 30 years. They have no staff members that understand the process. They need -- desperately need technical assistance, they need regulations, and they need guidelines. And the Department of Education has simply not given them any support in this area at all.

We have also observed that some districts are now waking up to the reality that there is a school construction program out there, and they are being left behind. Some districts are now making major changes to their Long-Range Facilities Plans and submitting proposals for additional construction or renovations. They have observed that Trenton and Neptune Township are moving forward and will receive new buildings in the foreseeable future. Their boards of education want a piece of the pie, and they're rapidly altering plans and changing priorities in a rush to move forward. Comprehensive district-wide planning is out the window, because now the overriding factor is speed, not what's best for the students. And we are deeply concerned that the planning process is being pushed aside.

We are also concerned, as is mentioned in the Report Card, that the Department of Education, which is responsible for designing Phase II of the Long-Range Facilities Plans for the Abbott districts, which should occur in 2004, has done absolutely no planning in that direction whatsoever.

So, as you can see, there are still many, many problems. And as I pointed out earlier, we have a lot going for us, we just need to implement it correctly. So the ELC recommends that the DOE and SCC take immediate and corrective actions to quicken the pace, but at the same time, we need to provide the technical assistance to help move the School Construction Program forward for all Abbott districts.

The COCS Report Card outlines a long list of regulations and guidelines that the DOE has failed to promulgate. These are the critical supports that districts must rely on to move their school construction program forward.

Thank you.

ASSEMBLYMAN STANLEY: Thank you very much.

Do you have information here regarding how many projects are currently underway?

MS. PONESSA: Yes, in the handouts that I gave you, there is a table, which also appears on our Web site, and it lists 54 projects that are in some stage of development. And we don't list them until they absolutely have -- until there are some contracts that have been signed, either for predevelopment or for design or construction. So you'll see them listed there. And we try to update that once a month. This is a very, very time-consuming process, because the Department of Education, which is the front end, as I've mentioned before, does not keep those types of records. They have them in a drawer some place, they don't record the approvals that they give to -- that are sent over to the SCC. As unbelievable as that may seem, for a \$6 billion program, there is no database in the Department of Education that records the work that they do before it goes over to SCC. So we have to get that all manually through surveys, etc.

ASSEMBLYMAN STANLEY: Senator Rice.

SENATOR RICE: Which means your data may not be totally up-to-date, right, because you may be lagging?

MS. PONESSA: Well, that was done on--

SENATOR RICE: Slightly.

MS. PONESSA: --February 15. Yes, it's a month old. There may be other projects that have-- I know that Camden has submitted some projects. I don't know whether they've gotten any contracts awarded for their

predevelopment work. I don't think so. But there are some districts that have submitted some things now, and I will be trying to update that within the next week or so.

SENATOR RICE: Okay. In your database -- in your fields, you list, I think, new schools addition.

MS. PONESSA: Right.

SENATOR RICE: So I would suspect that your new school numbers-- I don't want to make the assumption. The way it's talked about in the districts -- the Newark district, for example -- the number of new schools, the number of replacement schools, which are really new schools, but they're trying to let the people know we're just going to tear it down at this site and build it back up-- Your replacement is in your new school data, or is that something different?

MS. PONESSA: The new schools -- replacements would be our new schools.

SENATOR RICE: Okay, so--

MS. PONESSA: Then there's renovations with additions, and then total renovations. There's three columns in there.

SENATOR RICE: Okay. The one thing-- I've always cautioned the State, and the researchers, and the special interests -- is that we have to make sure we don't be so hung up on the Abbott court decision that we don't allow -- that we fail to allow enough flexibility to accomplish the goal. The goal is to have the most recent, updated facilities as possible, but only for the reasons to educate kids.

If, in fact, that's true, it's always good to talk about smaller buildings, but the reality is that they may not be able to be smaller because of the space limitations in some of these districts. And those of us who are elected officials, particularly at the local level, are tired of getting beaten up for what has happened in the past. We don't make apologies for being landlocked to some reasonable degree, particularly since we had rise in these cities. For so long, people criticized it for being abandoned. And we don't make apologies for those who came before us, and even those of us who never thought about how to really plan out a community the way we are looking at it today.

And so given that, as we move forward, we're going to have to accept the realities of the Abbott districts. Certainly, Camden, for example, has a lot more opportunities to do things more correctly in line with Abbott, etc., than, say, a Newark, where most of the land, that was vacant so many years, has become occupied.

And we all also know that you can't say, "Well, we're just going to take property," because when you start to look at the kind of footage we need, square feet we need to build schools, what happens is, when you start to take away communities, you're going to be taking away people's pride and joy, their shelter, and their homes, which means you're going to be tied up in court for 20 years trying to move a process like that.

So I want to state on record, because we have to band together to force this whole Abbott issue and really accelerate the school construction piece as best we can, but we need to accept those realities for what they are, also, and manage those realities.

So I just wanted to say that, Mr. Chairman, so that we can stay focused.

MS. PONESSA: I think, Senator Rice, that that's a really excellent point, and that that is one of the reasons why we are suggesting that the Facilities Efficiency Standards have to be adapted to wider use. I mean, all of these schools are not going -- for instance, these high schools are not going to be 900-student high schools. Some are going to be bigger, some are going to be smaller. There's going to be reuse of older type of buildings in some of these communities. And in many cases, the Facilities Efficiency Standards are not adaptable to that type of situation.

We need to look at it from an entirely different paradigm, as to how education is offered today. There may be academies, like there is in Paterson; there may be alternative types of schools; there may be very small elementary schools in some areas; there may be preschools that are separate from the K-5 or K-8 schools. I think that we have to appreciate that there needs to be this type of adaptability, and that's going to be very, very significant as we move forward.

ASSEMBLYMAN STANLEY: I just want to make sure I understand you correctly. You're saying that if I ask the Department to put together a document like this here, there's nothing -- they would probably have to call you up? I mean, it's--

MS. PONESSA: They've done it before.

ASSEMBLYMAN STANLEY: I mean, it's--

MS. PONESSA: Well, don't forget, that piece -- that document that I've given you is, primarily, the information from the Schools

Construction Corporation, because those are only projects that really are -- that there are contracts out for to proceed. So it's either in the predevelopment area, which means the site preparation, or the initial design work -- in other words in some piece of this process.

If you're asking me how -- if -- as Senator Rice suggested -- that the number of buildings that are listed there as potentially new buildings, renovations, additions -- I will be perfectly honest with you and tell you I do not know that that report is completely accurate, because in order to get that information, we had to look through the original Long-Range Facilities Plans -- and I have most of them in my office, piles and piles of them. We've had to survey the districts to find out if they've had updates to their Long-Range Facilities Plans. Then we've had to ask the Department of Education, usually in writing, because they are not too cooperative in some respects. We've asked them for any letters of approval to update their long-range plans. In some cases they've sent them to us. In some cases I know they have not, because they obviously didn't look through all the drawers.

So that piece of the report that I've presented to you is as much and as accurate as I was able to get in our office. I'm not saying it's perfect, by any stretch. The missing piece here is how many project applications has there been that have been turned over to SCC, and if they haven't been turned over, what are the missing pieces that the district needs to do in order to allow them to be turned over, and what type of standards is the Department using on these projects? I mean, are there any community spaces that have been allowed in any of these new project applications? The answer is probably no. There are some that are questionable, whether they could be considered

community spaces. But in general, the Department has turned most of that down.

So it's very, very difficult to get the type of information that you and I would like to have about the beginning or the front end of this School Construction Program.

ASSEMBLYMAN STANLEY: Thank you.

ASSEMBLYMAN DIEGNAN: Would you agree with me-- I mean, I look at this, and my initial reaction is this is just an abysmal record. Would you agree with that?

MS. PONESSA: Well--

ASSEMBLYMAN DIEGNAN: I mean, we have 54 projects, of which I see one is complete, and none of the others -- or just a handful of the other contracts have even been awarded.

MS. PONESSA: Okay. It's an abysmal record--

SENATOR RICE: Excuse me, you're talking about new construction?

MS. PONESSA: --if you're looking at the process for a three-year period. Yes, up until last summer, it was absolutely abysmal. Now there are some projects that are moving forward, not quite as quickly as we want them to be moving forward, but some of them have been moving forward, which is a plus.

ASSEMBLYMAN DIEGNAN: Well, going from--

MS. PONESSA: But if you're asking me, in the three years since the -- almost three years since the passage of the legislation that actually funded the projects, it is an abysmal record over a three-year period. Yes.

ASSEMBLYMAN DIEGNAN: Now, the rehabilitation, does that include health and safety items?

MS. PONESSA: No.

ASSEMBLYMAN DIEGNAN: It does not.

MS. PONESSA: As you'll notice on some place in that report, it says that-- You know what? On our Web site, there's a big explanation of all of the different categories.

The health and safety projects are totally separate. They were, initially, part of the Long-Range Facilities Plan, but because the legislation took so long to pass, then-Commissioner Hespe asked the districts to pull out projects that they considered health and safety. There was a total of \$605 million worth of projects that were collected and turned over to EDA.

Now, as of last summer, the Department -- the EDA and the Governor said that those projects will all be finished by the end of 2002. Well, when Al McNeil came aboard, he said, "Wait a minute. Those projects will not all be finished by the end of 2002. They're going to be finished, probably, the end of 2003." And one of the reasons for that is that not all the work can be done when students are present. So there are still a considerable number of projects that will be done this summer that are health and safety projects. Those projects are moving ahead in most districts. We are optimistic that, indeed, by the end of 2003, most of those health and safety projects will be completed.

I think that you should be aware, though, that what I am listing on that page, there is what is in the Long-Range Facilities Plan for each district,

and that is new construction or total renovation. It is not health and safety projects.

SENATOR RICE: Mr. Chairman.

ASSEMBLYMAN STANLEY: Yes.

SENATOR RICE: Just for the record, I think if you look at health and safety projects, you'll see a lot more progress. The initial barrier was -- EDA did a great job, being that they had no directions, etc. And they would approve projects here. The problem is, you know -- had the other Committee meeting -- they got logged in over here. So even though a school district could have a project approved over here, they couldn't go and do the work by the time school started because of the barrier. I think Al helped clear some of that stuff up when he came in.

And now, from all the districts I do speak to, most of them seem to be reasonably happy with the progress that they're making with their districts on those safety issues.

But some deference is due, and some slapping around is due, because the new school construction may look a little better today had the Governor listened to us and not delayed this thing for a year. Because there were schools that, I believe, were trying to get through a process to get into the ground. But I would like to think that some of these pre-developed contracts -- yes, is reflect -- project that's trying to get into the ground.

Is that correct?

MS. PONESSA: Well, the predevelopment work is, usually, the initial design stage, as it relates to the site that's going to be used. So there's

a variety of things that are done during predevelopment. And most of the projects on that page are in that stage.

SENATOR RICE: Which is a good indication that, more than likely, sooner than later, a shovel is going to get into the ground at that location. Where they're doing that -- that work--

My point is that it appears that things are going to start to move forward. The delay of the year, and other barriers, I think, has harmed that. And that's, once again -- we can say, "Hurry, hurry, hurry," but that's not the way Committee works -- well, Ham will tell you that. That's not the way bureaucracy works, because there's this much paperwork in between -- this hurry up -- in terms of approval.

But I just wanted to, at least, kind of, keep the picture objective -- that there's a lot of pain, but there's some realities, too, that the legislation is not going to address, in terms of processing some of this stuff.

MS. PONESSA: Well, I think it's also something that people should understand, that it really does take a while to design a full building.

SENATOR RICE: And to build one.

MS. PONESSA: And to build one. You're not talking about a process that is going to happen overnight. And some of those buildings that are moving forward have been, supposedly, in the pipeline, have had the initial design work done, such as the one in Paterson and several of those in Jersey City -- have been under design for quite some time. So I think that those are the projects that are moving forward first. And there is a lot of work out there to be done, and it isn't moving as quickly as we would like. There's no

question about that. But I have to be fair and say, in the last couple of months, it has begun to move forward.

SENATOR RICE: That's the point I was--

ASSEMBLYMAN STANLEY: Let me ask you a question. With respect to Trenton, that has a number of projects moving ahead-- And I've actually been able to talk with Trenton, directly. I don't think there's anyone from the Trenton school district here. But I've been able to speak with them with respect to how it was that they were able to get so many projects in the pipelines. And the fact of the matter is that it was -- they were able to do this in spite of the Department of Education and in despite of the EDA. They were, actually, over at those buildings almost every other day, walking through, finding permission slips, or whatever were needed, to get these projects approved every step of the way.

And I say that to say that, unfortunately, if you're in Irvington or, perhaps, in Newark or in Paterson, you don't have the luxury of going around the corner to try to track down where your approval is.

I wanted to try to find out if there is any indication that the process has been streamlined. Unfortunately, in your preamble, it doesn't sound like we've made all the progress that we need to have made. But where are we in respect to the approvals, and are we still finding that we don't have a streamlined operation that will help these projects along?

MS. PONESSA: Well, that requires somewhat of a mixed answer. First of all, as both Brandi and Cynthia pointed out, in the preschool area there are major, major bureaucratic problems. So the only preschools that are moving ahead are district buildings -- there are several, as you see on that sheet

-- or classrooms that are attached to other district buildings. And there really are, actually, not an awful lot that have moved forward, because we don't have the standards in place -- preschool facilities standards. There's always a question as to how we're going to design these buildings. I mean, without that, that's a major, major piece that's missing. So that's an area where there really is a big problem.

I think the other areas, as I pointed out -- the Long-Range Facilities Plans and the future planning process, which has to take place -- a district-wide process with implementation, requirements -- are things that are lacking in some of the districts. They need support in this area. They just don't know how to move ahead. And I was telling somebody before, one of the districts called me up and said, "We don't have any forms." "What do you mean you don't have any forms?" "Well, we don't know how to do this." Well, they were just throwing up their hands. They really need support. And if they're not moving ahead -- it's very obvious that they're not moving ahead, and they should be getting the technical assistance that they need. And they're not getting that. So I think that there's a number of areas, and the Report Card tends to spell those all out, where there are serious lacks in the front end of the process.

Once it gets to SCC-- They may have some serious problems with site issues. In other words, they may not be able to purchase a site that the district has asked for, or there may be serious environmental problems. There's a lot of site issues out there, as you probably are well aware. But I think that once it gets to SCC, it's pretty clear that it can move forward.

Al McNeil does know how to build buildings. There's no question about that. But there's many, many steps in this process before it gets to him. And I think that's the important thing that we have to talk about.

ASSEMBLYMAN STANLEY: Thank you.

Any other members with questions? (no response)

Thank you very much.

I believe we're going to call up Irene Sterling.

**IRENE STERLING:** Thank you for letting me speak with you today, and thank you very much for having this wonderful exhibit. There are 10 shovels here that represent each of the elementary schools that we need to build in Paterson. And I hope to, one day, be taking -- have my picture taken with one of these in my hand, shortly -- devoutly to be wished.

There are three things that I want to tell you about today. I've given you a copy of a community report that reports to you about -- and reports to our -- the Paterson community -- about community schools in Paterson.

Out of that consultation with more than a hundred community members coming together, including our mayor and superintendent and public officials, there were a number of issues that became real clear to us. The first is, it is absolutely important that the districts be asked to redo their five-year facilities plan. And they cannot do that unless the Commissioner and his designees write the directions for how they're to go about that.

So one of the things Paterson would like this Committee to do is, on Thursday, ask Assistant Commissioner Rosenberg how we are going to write -- rewrite the five-year facilities plans. Please ask him that question.

Why is that important? There are any number of reasons that the previous speakers have talked about, but the most important piece, to me, is that we need to look at the issue of community input. Hope, in our districts, is 15 stories high and an inch thick. This opportunity is an extraordinary opportunity to rebuild the face of our communities, but it is fragile. We haven't done it in so long, we're not sure we're going to do it, we're not sure how we're going to do it. And as Paterson has clearly demonstrated this year, we haven't been real good at it when we've attempted it so far.

And for that reason, we need to have community dialogue about what is going to happen here, because these schools are going to not only change the education of our kids, they're going to change the tenor of our neighborhoods, they're going to change the tenor of the other kinds of community investments that can go on and make a difference in our community.

I hesitate to say to you what I'm going to say right now, but I feel strongly enough about this that I'm going to risk something here. I really need you to ask Mr. O'Neill (*sic*) to tell you about his plans for the next two years, because he, in fact, made a presentation to the Governor's Office in January that has information in it that's never been made public, certainly about the schools in my district. There have been amendments to the five-year facilities plan, which I took part in, in Paterson, that have never been discussed publicly at this point in time. And when I shared some of the information from that presentation of January to both school board members and city council members in Paterson, they were shocked and dismayed, because they had

never been participant in what is in that series of proposals. And I'm sure if that's true in Paterson, that's true in other communities.

Again, why is this important? It's about the hope factor. I was talking to a veteran principal just yesterday about what's happening in her school, and about her career. And she is about to give up. She is so frustrated about the promise of Abbott, and the stumbling blocks that keep being put in the way, that she wants to retire. And one of her reasons is that she has tried for the last five years, since the Abbott decision was made, to get the district to look at a piece of property next to her school and build an addition to her overcrowded school.

I stood there on Monday and I could not tell her -- because this isn't a public document yet -- "Well, darling, your project is actually in Mr. McNeil's plan, and it's supposed to go in the ground in the fourth quarter of 2004." That knowledge alone would keep her in our district, and would keep her moving forward with her people, and keep her moving forward with the work that has to be done for our kids. But it isn't public. And because we don't have good processes, these things are happening over and over again.

Now, when what Mr. McNeil gave the Governor is disclosed and the public talks about it, will it change the actual plan itself? Perhaps not, but it will give hope and definition to a number of neighborhoods across our city. It will also allow us to ask some other questions around the swing space issue, because this particular plan proposes that we will rebuild our two high schools at the same time, thereby putting 5,000 kids in need of swing space.

That circumstance -- I don't know how we will do. But somebody agreed, as Joan said-- Somebody looked at that and said, "Oh, yes, they can

do that. They can spend \$44 million for this high school, \$33 million for this high school. They'll go in the ground six months apart in 2005." What are we going to do with these kids?

The final point that I want to make to you is around this question of definitions, and whether it's in law or regulation, around community schools. Community schools were pushed forward very heavily by the previous administration. We got all kinds of paperwork about it, but no definition in the law and regulation. That, under the new administration, is still true. And there are two kinds of things that we need to do, much like the preschool situation, to move community schools forward.

One is that we need a programmatic definition. What is it that we believe a community school is? And if you look at the back of the report that we gave to you today, that we talked with our community about, you'll see a wheel and five component parts of what makes a full-service community school. And we'd like you to take a look at that. And we'll be with you at the time when such regulations be rewritten and we look at them, because they are not only about high-quality education, but youth development services, family services, family engagement, and community engagement that permits people to really have an opportunity to rebuild their communities. Then, once you have the programmatic definition, we can then begin to talk further about the kinds of spaces that those community activities are going to need.

I urge you, on Thursday, to take your bully pulpit and ask those questions. They are issues that we need to have answered in order to move forward, and we will be willing to help you in any way that we can, to help you

move the process forward so that we get those 10 elementary schools. I want my shovel collection.

Thank you.

ASSEMBLYMAN STANLEY: Thank you very much.

Patricia Tumulty, from the New Jersey Library Association; and Norma Blake, New Jersey State Librarian.

**PATRICIA TUMULTY:** Norma will stay seated. I'll stand.

Good afternoon.

I am Patricia Tumulty. I'm the Executive Director of the New Jersey Library Association. As you mentioned, I'm joined by Norma Blake, our State Librarian.

We'd like to discuss an issue that's of great concern to the library community. As we hear the discussion of funding for new schools becoming available, we're starting to see more and more newspaper articles and media coverage about the concept of community schools and renaissance schools. And most articles say that there are going to be shared facilities in the schools. And examples of a shared facility, most often, say it would have a shared community library. And, in fact, in the recent announcement of a new renaissance school in Trenton, they indicated there would be a community library in the design.

I want to say we are delighted to see that community libraries are being considered as important economic generators, particularly in our urban environments. But, unfortunately, as representatives of the library sector, we have not been involved in any discussions regarding the planning, design, or building of what's considered a community library. We have not seen any

definitions or standards of either -- of these types of libraries in either our community school or our renaissance school. And many of the basic operational questions have not even been addressed. Who are these libraries designed to serve? How are they to be administered? How are they to be operated? These are fundamental questions in discussing what kind of library service will be provided in this facility.

We certainly believe in a very strong school media program -- is essential to a quality education. All students should have access to a fully stocked library, the newest technology. They must have a certified media specialist to assist them, and they should have a beautiful facility which is conducive to learning. No student should have access only to a cart of books and call that library service.

But providing public library service in a school building is a very different situation. It's neither a simple, nor necessarily cost-effective solution. A school library and a public library are very different in their purpose, their mission, and their responsibilities. And before such facilities can be joined, many factors need to be taken into consideration -- for example, security. Public libraries open during the day and in the evening to serve residents from preschoolers to older adults.

The New Jersey Library Association and the Educational Media Association of New Jersey, which represents the school media specialists, have developed position papers on this topic. I've included with you a pamphlet that we have developed talking about school and public libraries in the 21st century. This pamphlet discusses the shared goals of schools and public

libraries. It provides examples of basic questions that must be answered before considering a school/public library facility.

We strongly believe that a definitive process must be established to discuss the establishment of a library in a new school facility. Community schools and renaissance schools cannot go forward with vague statements regarding the library facility. And the representatives of the school library community, the public library community, and the State Library must be involved to ensure that a newly designed facility can provide quality library service for all residents of that community. We must have common definitions of what constitutes library services in these facilities, and have a process to discuss the feasibility of providing library services in a shared facility. Without such a process, we may be developing libraries that don't meet the needs of our students, nor the residents of those communities.

We certainly would look forward to helping the Committee establish such a process and guidelines.

Thank you.

ASSEMBLYMAN STANLEY: Thank you very much.

Let me ask you, do you think-- What are some of the reasons, I guess, against having a community library incorporated in the school facility? I mean, can it -- because it sounds like you're saying, almost, that we should really think very long and hard before we go about that. But do you feel that it's possible to do it and not sacrifice the needs of either constituents?

MS. TUMULTY: I have to say it is very difficult to do, but it has been done in some examples in New Jersey. There are processes. But I think that's why you really need to look at example--

For example, a community library -- the truly new community library -- has all kinds of programming, computerized training center, lots of other activities that are going on. When you have a school library, that school library should be devoted to the educational media center with the specialist helping the students focusing on their kinds of core issues. When you have preschoolers at the same time -- because a community library should be open to the public all hours of the day -- you have adults who are coming in. You have different size of collections. If you're talking about a school that's only designed for K-3, would you then have facilities -- would you have books that would also serve adults, if it's a community library? Would you then have an extensive research collection for the needs of adults in the same building that's only designed to serve a K-3 population? There's also the issues of, obviously, security. A public library is a very open facility. A school needs, obviously, a much higher level of security when you're coming in, particularly during the day -- those kinds of issues.

I think, again, it's a process and a definition of what people need from their community and their community libraries -- is that we want to work, to see. We have seen, as I said, some very -- examples in some very small rural areas where they have the community library opened at night. But that's not necessarily the same thing as having a large library that's open that has all kinds of services for the public.

ASSEMBLYMAN STANLEY: I can certainly see your point.

I think that what -- when we speak of community schools -- and I guess this is another reason why we need a stronger definition -- because it means different things to different people. I think what we're talking about are

facilities that will be available to the community, not necessarily around the clock, but when the schools are closed. For instance, a gym that can be utilized after school, a library -- the same thing -- that could be utilized after school, and an auditorium, etc.

You don't necessarily expect those things to be used during school hours, so it won't necessarily take the place of a stand-alone library or a community library, per se, but it would allow for the facility to be used a longer period of time than just your normal 8 to 3. But you certainly raised some good issues for those communities that are looking to, kind of, kill two birds with one stone, so to speak.

MS. TUMULTY: And, as I said, there are no guidelines. We know that in the Trenton building, it says, "Here is the library. This is the community library." And when you try to say who that will be designed to serve, what students, what hours-- None of these questions have been even addressed yet. And I think good planning, good community service, good input really requires that those issues-- If you're going to have a shared facility there, we need to have some definitions and start discussing those issues while the building is being designed.

ASSEMBLYMAN STANLEY: Thanks.

ASSEMBLYMAN DIEGNAN: Is the mandate now encouraging the community concept?

MS. TUMULTY: When you hear the term *community facility*, it keeps saying there will be shared pieces. And, again, the definition of what those shared facilities are -- the common definition of what that would be has not been -- is not there. It is said they'll be shared facilities. And it's just, sort

of, an amorphous shared facility. Schools, libraries, and gymnasiums, as the Assemblyman pointed out, are the most common things that come to mind. So if they're going to be shared facilities in these community schools, then there must be a much more rigorous process of defining what those shared facilities are and how they will be shared within the community context.

Again, the library community-- The State Librarian has a much better idea of what constitutes public library service or shared service, and we need to be involved in that process.

ASSEMBLYMAN DIEGNAN: This is where I go nuts.

MS. TUMULTY: Okay.

ASSEMBLYMAN DIEGNAN: We have 54 projects planned, all of which are in some stage of development, and there's no definition as to what the basic concept like a library should be?

MS. TUMULTY: Yes, that is true. And I have to say, one of our other difficulties now--

ASSEMBLYMAN DIEGNAN: So how are these projects proceeding?

MS. TUMULTY: As I said, our involvement-- One of our issues right now is that the Department of Education did have a school media specialist consultant. She retired in June, and they have said, no, they will not be refunding that position.

And, again, as you pointed out, Assemblyman, that is a critical component, and the Department of Education said, "We do not need a consultant in that specific area." So how -- that kind of definition, how those will be designed, is beyond us, to be perfectly frank.

ASSEMBLYMAN DIEGNAN: But aren't they being-- I mean, I don't want to put you on the spot, but aren't they being designed?

MS. TUMULTY: No, there's, like, a standard footage, and that's it. Then an architect will have more input, and that's the process.

SENATOR RICE: The problem in New Jersey, Mr. Chairman, through you, is -- and I've been there a long time -- is really where you live. But it's also the makeup. You're going to find, whether people like this reality -- one thing about us is, every time we talk in Trenton, if we say urban, people think black, or Latino, or poor, or a high school dropout, or something. So when it comes down to appointments, the appointments are people who are predominantly a bunch of academicians, no common sense in some instances. Another instance -- have a wealth of knowledge from these places of urban communities with no basic needs. And they always wonder why do people need this or why they need that. "We had it, and they tore it up. We would have maintained--" They don't understand the other variables. That's not being negative about it, they just don't know. But they're so into their little thing -- it's like going to Berkeley -- that you can't tell them nothing.

And so when you get -- and I call names -- when you get a Gordon MacInnes, for example -- and there's been -- long before Gordon, there have been others -- who's going to tell us about urban education and put mandates on us, regardless of how much money we have, and folks are going to listen to them. That's why the Governor and I fight so much, because Gordon wouldn't ever tell me about urban education. He could tell me about the North Ward Cultural Center, where his friend is, and where he can come to Newark. But

he lives in Morris County. And they're trying to make the only urban town up there upper-middle class, and that's Morristown.

So that's what happens. So when it comes-- We say-- I'll give you an example. In Newark, we have the main library. (indiscernible) Alexander Street Library, which is near the school. Mount Vernon, which housed 10,000 people in 10 buildings of every ethnic group you can think of -- have a school, right there, with a library. They took it out. I had to get the city of Newark come with money to help the board of education fund the library. But the adult population used that library tremendously, just like the student population.

If I put another perspective-- The school board association and I fight all the time. I don't even go to anything. In 17 years, I went to one breakfast on a Sunday when they invited me. That's when I first got there -- to cuss them out, and I did. And I told them they don't care about kids, because when we're arguing -- we're still arguing, if you look at legislation -- that we want to open up these playgrounds. The superintendent of school (indiscernible) say he doesn't believe that playground and recreation have anything to do with the school system. That's a local issue. I say, "Well, I disagree."

And we put in bills. And I'll never forget -- and the reason I want to cuss out those folks -- because the lobbyists said they would not open up school boards opposed to open up schools. But what they told me at the breakfast was that -- they used the example of Lavallette, New Jersey, which happened to be very interesting -- that that was the example used, because I'm the one that beat the councilman from here, who moved to Lavallette.

The point is, they said, “We don’t want the playgrounds opened.” I said, “Why not?” They said, “Because we have so many other activities we try to get our young people -- and to encourage them to participate in,” which evolved an argument -- “That we’re afraid if you open the playground, those things go down.” I said, “Fine. I don’t have those things.”

If you look at the legislation, today, sitting in the Education Committee-- It went from having the State pay to only open up Abbott school districts. The State still didn’t want to pay. I said, “Fine. Give me permissive legislation. I will go to the board of education --” meaning my mayor, my council, and say, “Look, we’re going to fund the playground,” because we’re funding them anyway, on contractual -- “But we want to do this differently, because it makes-- We don’t have what we need. We need more money.” So, therefore, we’ll open up as many playground as we want, we’ll design the curriculum -- you know, they’re after school, because it’s not just basketball anymore, and it may even be libraries included. And then every year we’ll go referendum and tell the taxpayers, in a separate piece, how much that addition is going to cost. I can’t even get that out of Committee.

The point is, when you go to the educational arena, you have these same mind-sets. And they think that some of us are not as bright as they are, because I chose, initially, to go to Howard University, not because I, probably, couldn’t get into Harvard. I didn’t try to get into Harvard. I didn’t try to prepare for Harvard, because in the ’60s, they didn’t want black folks. So I went to Howard. But believe me, Howard and Harvard are no different to me when it comes to the folks in Trenton that I know went to Harvard. I’m much brighter. But they can’t determine that.

I'm being honest. It sounds facetious, but that's the problem. We're not putting enough people in the decision-making mix. And they were not willing to go to the real community.

And that's why it's important that people like Assemblyman Craig Stanley and others take meetings like this to the community where those of us who are legislators can hear. Just like it's important for those of us who are urban, often times, to go to rural America or someplace. I've asked my colleagues, "Tell us to come to where you live. We want to go and hear." That's how we learn.

And that's what's happening down there. So there are differences in libraries. Then the State set up this whole-- When technology came in, they started cutting library funding, tying everybody into a network as though technology was the cure-all to the needs of the various districts, which it's not. There's still some uniqueness that technology cannot address, or at least, to where we're setting it up, is not addressing. And no one wants to address it.

So that's my own personal perception and perspective, but it's from real-life experiences. Twenty years as an elected official, 17 at the State, watching legislators come and go from all districts and ethnic backgrounds, and watching governors come and go and appointing a variety of folks. Sometimes, I think New Jersey, on that end, live in Berkeley, California.

ASSEMBLYMAN STANLEY: I think that it certainly would be beneficial to have the State Librarian involved with the planning process, even on a consultant-type basis with the Department of Education, with respect to how we move ahead with that, just so we get the best product.

I appreciate your coming forward and testifying.

Thank you.

Sarah Tantillo, from the Charter Schools Association.

SENATOR RICE: Now, while she's coming, Mr. Chairman--

ASSEMBLYMAN STANLEY: Yes.

SENATOR RICE: I think it's important for staff, for the rest of us who are taking notes -- because Assemblyman Diegnan raised a very good question. We don't have definitions. Well, things like that, we're going to have to go back and not ask-- We have to make a note, when the Assemblyman raises a question like that, and say, "You will have, by this period of time--" See, because if we're allowing the administration, particularly now, in going through the budget process, they're not doing too much thinking. If anything, they're creating more problems. So we're going to have to go back and not ask -- we're going to have to go back and tell them what we want, as legislators, and hopefully they'll do those kinds of things so that we'll know that there's a clear definition, well-defined. We'll know there's a process addressed through regs, in terms of preschool. Are we going to build? Are we not going to build? Do we need the land? We don't need the land. Do we lease land? I mean, what does all that mean. So we're going to have to tell them that it will be done. Either you do it, or we'll do it and tell you. So we need to make sure all that comes up in these transcripts. Because sometimes the transcripts, because we turn away so much, are broken up once they are actually extracted. So, hopefully, we have good notes here.

ASSEMBLYMAN STANLEY: Yes, we'll certainly need that available to us for Thursday, for the meeting with the Commissioner and the Assistant Commissioner and Al McNeil.

**SARAH TANTILLO:** Thank you.

ASSEMBLYMAN STANLEY: Thank you.

MS. TANTILLO: Thank you for the opportunity to speak.

My name is Sarah Tantillo, and I am the Executive Director of the New Jersey Charter Public Schools Association, and I represent all 50 operating charter schools in the state, as well as the parents, the teachers, the community members, and other organizations who are interested in and support charter schools.

I have written testimony. I'm not going to read every word of it. But first, just listening to all of this discussion today, it's been really enlightening. And as I was coming here, I was thinking about something that happened to me in high school, which I think is relevant.

In high school, I worked at the student store, which was a volunteer position. And, pretty much, every morning, the guy who was the faculty advisor, who thought he was kind of funny, would say -- and remember it was a volunteer position -- "That was great. I'm going to double your pay." And he thought he was being funny, and he said it pretty much every day. And maybe the first time it was funny, but then, after a while, it really wasn't so funny.

Point being, charter public school students are the only public school students in the state not included in the school construction law. So I listen to people talk about how difficult it is to get projects done, and I'm very sympathetic, and it, kind of, reminds me of the last eight chapters of *Huck Finn*, when they try to free Jim from slavery when he's already free. But we're not even included. And we're talking about Abbott public school students who

live across the street from the students who are getting -- or potentially could get 100 percent facilities funding, and we don't get any. We don't get any facilities aid through the school construction law, we get no State facilities aid through any other mechanism. And so this is a huge problem.

For those of you who aren't aware of how charter schools are funded, we get 90 percent of the local per-pupil expenditure, or at least the law says it's supposed to be 90 percent. Eleven thousand of the 13,000 students in charter schools live in Abbott districts, and they don't receive a penny of the Abbott parity aid. That's another issue that we're working on, not necessarily for this Committee. But it's something we'll probably have to file a law suit about, because we're not receiving any of that aid. The money is not following the students who are accounted for the purposes of that aid.

So, basically, we're, essentially, operating on 60 to 70 cents on the dollar. And so one might point to charters, which have facilities by virtue of having to cut into their operational costs. But, essentially, you can say, "Oh, that's great. They're being efficient." But it's not a long-term, sustainable operation.

And so, basically, I'm here to say, today, when you revisit the school construction law, which I'm hoping will happen this year or sometime soon, let's include charter school students in that legislation. It's only right. It's, kind of, ludicrous when you think about it. Students from Chatham, Medford, Milltown, all different kinds of -- Millburn, excuse me -- wealthy communities get all this money, and we're operating on 60, 70 cents on the dollar. We don't get a penny of the facilities aid.

So, anyway, if anybody has any questions, I'll be happy to answer them.

ASSEMBLYMAN STANLEY: Sure. How do you fund your facilities cost now?

MS. TANTILLO: They come out of the operating budget. So out of that 90 cents that we get, that follows the child into the charter school, that's how we pay for the rent, essentially.

ASSEMBLYMAN STANLEY: The other thing -- the other question I wanted to ask was regarding parity funding or -- yes, the parity funding. Now, that is included in the parity dollars that go to the district, is it not?

MS. TANTILLO: Right.

ASSEMBLYMAN STANLEY: The student population is included in the parity calculation that goes to the district. It's just that that doesn't follow a child to the charter school.

MS. TANTILLO: Correct.

ASSEMBLYMAN STANLEY: That's not part of that 90 percent.

MS. TANTILLO: Correct, it is not part of that. What happens is, the charter school students, public school students, are counted for the purposes of enrollment, and, technically, they're counted as district enrollment, even though they're not in the district. The district uses that number to say to the State, "This is how many students we have," for the purposes of receiving Abbott aid. And then they don't forward that money.

ASSEMBLYMAN STANLEY: So what's your 90 percent based on?

MS. TANTILLO: It's based on-- This is a really good question. It's based on the local, per-pupil expenditure, the base program rate of funding, before Abbott. And, actually, another point I wanted to bring up is that there's actually been, kind of, a reduction in this program rate over the last few years, so that we have a problem, in fact, that charter school funding has, actually, dropped over time. In Newark, we are losing -- going into next year, we're going to lose \$400 per pupil at the charter schools, because the declared base program rate that the district is saying they are spending has actually dropped. What they're doing, essentially, is they're saying, "We need more Abbott funding." They're calling more of their programs Abbott-related programs.

I mean, this makes sense. I can understand why they're doing it, but I want you to understand the implications for charter schools. We're based on their program rate, whatever it is, and if they say, "Well, our program rate is lower," therefore, less of a burden to the property taxpayers, "we'll get more money from the State." But since the charter schools don't get any part of that money from the State, we get a fraction of a lower number. And that's happened in at least 15 districts across the State. It's spreading even further this year, I'm told. And we're trying to get the data from the State so we can explain it to you all, even though, of course, there's no money to give us. But we just want you to know that we're really suffering here.

ASSEMBLYMAN STANLEY: Hey, I'm all for--

MS. TANTILLO: Does that answer your question?

ASSEMBLYMAN STANLEY: --Speaker Sires millionaire's tax. I will go on record for being in favor of that.

MS. TANTILLO: All right, me, too.

ASSEMBLYMAN STANLEY: We need to make sure--

MS. TANTILLO: It won't affect me. (laughter)

UNIDENTIFIED SPEAKER FROM AUDIENCE: Nobody in this room.

ASSEMBLYMAN STANLEY: If you're in this room, it won't affect you.

Well, maybe Ham Bowser. I'm not sure.

I guess the other issue is with respect to whether your funding-- How has your funding been over the last four years? Has your funding been constant, or is your funding-- I know, in real terms, it's probably going down.

MS. TANTILLO: Right. It's gone down. It's been frozen last year. And you're asking all the right and brilliant questions. I mean, it's based on the local, per-pupil expenditure. Because the funding was frozen last year, our funding was, essentially, fraction -- proportional to whatever that was.

Now, the districts can go to the voters and say, "Hey, the State's freezing our aid. We need to raise property taxes so we can raise our program aid." But charter school funding is not tied to whatever the district decides to do with their taxpayers. It's tied to a predetermined, frozen-in-stone budget figure that the State declares. And then, from that point on, if the district's budget goes up or down, it has no impact on the charter schools' budget.

So when the State said, "We're freezing State aid to districts," that, effectively, froze charter school aid. Charter schools cannot go to the voters and say, "Hey, we'd like to raise taxes so that we can actually cover our cost-of-living increases this year." That's what happened in the last year.

Now we're finding this -- what I described to you. We call it the reverse T and E problem. That's spreading more and more to the Abbott districts. And as I mentioned, 11,000 of the 13,000 students in charter schools are from Abbott districts. So it's affecting quite a few students. And when we think about it, the charter school movement is, essentially, almost like an Abbott district. Certainly, it's even bigger than some of the Abbott districts.

ASSEMBLYMAN STANLEY: Thank you very much.

MS. TANTILLO: Sure, thank you.

ASSEMBLYMAN DIEGNAN: Aren't vocational schools, basically, similar -- that dilemma?

MS. TANTILLO: Actually, the vocational schools, in terms of the Abbott funding -- I'm assuming you're talking about -- they've actually been working with the Legislature to introduce a bill that would provide them some Abbott parity aid.

ASSEMBLYMAN DIEGNAN: But as exists--

MS. TANTILLO: But their funding streams are different.

ASSEMBLYMAN DIEGNAN: But I mean, it's similar, not identical.

MS. TANTILLO: Well, they're funding more -- it's more directed right to the State -- from the State to the schools. So they don't have this filtered through the district, hey-that's-my-money, kind of problem that we're facing -- charter schools are facing, because the money goes through the district, and the district says, "Hey, that's our money. Why are you taking it?" So that funding stream problem is one that's really causing some contention.

ASSEMBLYMAN STANLEY: Thank you.

I'd like to call up Joe Thomasberger, from the Early Childhood Coalition of New Jersey.

**JOSEPH THOMASBERGER:** Thank you for the opportunity to speak.

I'm Joe Thomasberger. I'm the Director of the Early Childhood Coalition of Newark, and the Deputy of the Early Childhood Coalition of New Jersey.

We are a group of community-based providers of child care and education in the Abbott districts. And we, in Newark, are something like 50 centers with some 5,000 children; across the state about 400 centers, with a growing population of children.

The people from the Association for Children of New Jersey spoke to you, I think, this morning. And I endorse what they have said to you, and just point out that the State has not made a real effort to bring early childhood into the masterplan for buildings in the state, in the Abbott districts, especially.

It takes some special kinds of work to do this. The standards have been promulgated by nongovernmental agencies. ACNJ took a big step forward in pulling together people from across the state to bring those standards to light. It was promised that they would be made official almost a year ago, and that has not happened, as yet.

But it is important that that be done, in many, many ways. And the appropriate size of what a child-care facility -- early child-care facility should be is wide open. Nowhere is there any real guidance in government right now, so that one district has announced that it plans to build an early childhood facility to house 530 children. And that's a terrible thing. That

doesn't meet anybody's, who has thought about it, idea of what an early childhood facility should be. I don't know how it got through the processes, but whatever the process that did take place -- it is against almost everything that early childhood experts talk about.

The most important thing is that early childhood is not included in the districts' plans for the facility building. While they do include them in buildings that the district is going to control, they do not do it for those who are providers -- independent providers who needed to come to the fore when the Supreme Court made the rule.

We are trying to get that to happen. But one of the things that is stopping it is that the district is not able to do the work that is necessary under the current system to make it feasible. And if we don't correct this system soon, we are going to have to be feeding more funds into the district offices in order for them to have staffing enough to do the work that is necessary for renovation and for expansion of facilities.

The other thing that I wanted to just point out to you is that there is some effort being made to do this work, but there is a big problem between those who own their facilities and those who lease them. And the State, over the years, has been able to find a way of supporting those things that are necessary in buildings that are leased, with a payback kind of thing if they go out of business, or whatever. But there's many ways for this to be done, and I hope that the Legislature will give every attention to that kind of thing.

Thank you.

ASSEMBLYMAN STANLEY: Thank you very much.

Any questions? (no response)

I noticed there are a couple of people who are here. One of the things that we wanted to try to get some type of testimony on is the issue concerning the training that has taken place in the districts, with respect to pre-apprenticeship training. We wanted to try to get some type of idea as to what is happening, whether there is sufficient resources, how are we advertising.

And I see Rebecca Doggett here, and I don't want to put her on the spot, but I would certainly like if she could come up and give us some testimony with respect to how things are going in that regard. Because it's very important to Senator Rice, myself, and all the members of the Committee that we not only build schools, but that we take advantage of the School Construction Program to the point where we're providing some economic development for these districts, as well. And this is the biggest thing that the State of New Jersey has going, and it makes sense to get as much value out of these projects as we possibly can.

So if you don't mind--

**REBECCA DOGGETT:** I'd be glad to.

ASSEMBLYMAN STANLEY: Thank you.

If you could--

MS. DOGGETT: Right now?

ASSEMBLYMAN STANLEY: Oh, sure. By all means. (laughter)

SENATOR RICE: Mr. Chairman, through you, while she's coming up, I stepped out of the room, because I had a call from Trenton. Some of the Governor's people wanted me to convey to my colleagues here that the State Department of Education did go into court today to ask the court to give them

the flexibility of funding that they're requesting. Now, the court has not made a decision yet. It is something that, I believe, through the summit and through these meetings, we try to prevent. And all that has taken place here today, in terms of the hearings and the things that are requested and things needed, is really going to be contingent, to some degree, on that court decision. So I just wanted to make that announcement and let everybody be mindful of that.

ASSEMBLYMAN STANLEY: Thank you, Senator.

Ms. Doggett.

MS. DOGGETT: Thank you, Mr. Stanley, Senator, Assemblyman.

My name is Rebecca Doggett, and I serve as a project consultant for the Newark/Essex Construction Careers Program, which is a program that is sponsored by the New Jersey Institute for Social Justice, based here in Newark.

The Institute is a nonprofit organization. It has been very active in working at the State level, also, in pressing for the passage of the school construction financing bill. And we were especially concerned, as you mentioned, Mr. Stanley, about how could we not only have new schools and good schools, but how could we also take maximum advantage of school construction as an economic development effort in local communities.

Since Abbott districts are, by definition, communities where large numbers of low-income people live, we felt that it was important for the children to have good schools, but also important for their parents and brothers and sisters and others to have not only job opportunities, but also

business opportunities as a result of the school construction that is to take place in many, many neighborhoods throughout the State of New Jersey.

So in order to do that, we were one of the first groups that proposed that to the State of New Jersey. And I have to say, this is one of the things that, kind of, started off right in this sense. Most of you are familiar with the one-half of 1 percent rule, as we call it, the State legislation that's been around since 1975, that calls for any public project that's over a million dollars to set aside one-half of 1 percent of its construction money for training for outreach recruitment and training of minorities and women to work in the construction workforce.

That law has been around many, many, many years and never had been implemented in an effective way. Usually, it was an after-the-fact thing, when the Treasury Department sent someone to a construction site, found that there were not enough minorities and women on the job site. They would tell the contractor, "You're out of compliance." The contractor then was supposed to go look for minorities and women to put on the job. By that time, usually, the job was just about finished. So these dollars were, theoretically, available, but they were not, in fact, doing the job.

When we understood how this had worked in the past, we started talking to EDA way back and said, "Instead of using these training dollars project by project and after the fact, you should try to get ahead of the curve so that you can go into these local communities and start encouraging training and preparation of Abbott residents before the construction starts, because we know that it takes five to 10 years, in some cases, to have a skilled mechanic in the construction trades. You can't start a project today and have -- start an

apprentice today and have someone who's really skilled. So it made sense to start ahead of the construction to prepare residents to qualify to work on these construction sites.

So the Department of -- EDA, before School Construction Corporation started, did start in that vein. They designated the Department of Labor to handle their Construction Trades Training Program for women and minorities. And that's where the program has been administered from.

The thing that I think was done right is they did start before the construction -- school construction had started. There were three pilot programs that were funded: Newark, Trenton, and Camden. We had hoped for more than one program in Newark to be funded, but at the present time, ours is the only program in Newark that has been funded for pre-apprenticeship training. But it has started ahead of time, which has given us an opportunity to start working in the local communities to let people know that this is one way -- and we don't pretend to say it's the only way -- that people should have jobs on the construction site, but it's one way.

And the one way we have focused on is the pre-apprenticeship program, where we work with all of the high schools in the city of Newark and the vocational schools to identify seniors, young people who are getting ready to graduate from high school, to encourage them to look at construction as a viable career -- going into the apprenticeship program.

We also work with older residents of the city -- older in the sense that they're in their 20s and 30s -- other people in the city who--

SENATOR RICE: I think you're a senior, man. (laughter)

MS. DOGGETT: I mean, older than teenagers -- certainly not older than me -- but older than teenagers who are in the high school level, who are also a part of the group that we recruit. The pre-apprenticeship is really important.

But we set up a consortium where we have a collaborative with the Building Trades Council, with the school district, with community-based organizations. And as a collaborative, we look at everything that's needed in order to identify a local resident of Newark, in this case, who wants to become an apprentice in a registered apprenticeship program, and what does it take in order for that to happen.

We found that most of what people need is not so much the skill part, because the unions will train people. The key is to get in there. And so what we've concentrated a lot on is the math, the test taking that's needed, the interviewing, helping people with their drivers' license. A lot of people had their license suspended. We were able to get funding to help with -- helping them get their license back. We even have gotten, now, to the point where we can make small loans for people to buy used cars, very used cars. But the idea is-- It's not just enough to have the license, you've got to have the wheels. So we think these wheels will get them to the job sites, at least for a few months, until they get better pay, and they can then buy even better cars.

But this is the kind of thing we've been able to do, because we are a nonprofit organization. We work with a lot of nonprofits here in Newark. And each time we found a barrier, we've tried to overcome that barrier by getting someone else to help us.

The problems-- I think you also asked about funding. The funding that we get from the Department of Labor is not enough to do everything that we're doing. So we do raise additional money in order to supplement the program, one of the things that seems to be emerging as a major problem, especially because New Jersey is in a budget crisis.

Everyone always asked, "Well, how much does it cost?" And what I say to them is that, "You have to compare the per-person cost to how much will this person make in a year's time if they get into an apprenticeship." Even as an apprentice, a first-year apprentice, they can make at least \$25,000 a year, with an investment of maybe \$3,000 to \$3,500 on our part, taking them through this process.

So we feel that the investment is worth it. And if it means that, at the end of three or four years, we can say that workforce that's going to be building our schools, now, will really have Newark residents actually at a skill level, because they now have gotten through the apprenticeship, they're becoming journey level workers -- then we say that this investment is worth it, because we started ahead of time. But there have been some rumblings from Trenton about reducing the dollars that are available for the program. And I think it's because everybody in the state is in this crunch.

But it seems that it's going to be very important, as you say, to make this investment in the residents in the Abbott districts, so that they really can be a part of this major enterprise that's going to be going on in our state -- for at least 10 years, maybe 15 years -- to build all the schools that we have to build.

And our program is only dealing with the labor force side. But as you know -- and I'm sure Mr. Bowser -- I don't know if I missed his presentation or not -- I'm sure will talk about the business side, where the same kind of effort needs to be invested to make sure that people who own businesses, or plan to start businesses, will have an opportunity to participate, because there was investment in making sure they were ready, understood what had to happen, and so forth.

Just one brief comment I'd like to make about the contractor's side, because, as you know, I've done a lot of work in that area, as well. Right now, in terms of how the contractor's side of school is set up, it's set up for the big guys. It's set up for big companies who can afford the lawyers, the accountants, and other people to put the paperwork together to submit to Trenton to get them prequalified.

The system is not set up in any way that would help a small contractor who doesn't have access to all these kinds of dollars -- to help them get prequalified. There needs to be a more reasonable, rational prequalification process that's really designed for small companies where it doesn't bankrupt them, practically, to try to get prequalified to do work in the School Construction Program.

There are many examples of this around. It could be done. I just think that the State, School Construction Corporation, and others have to put their minds to being more reasonable and realistic if they really are serious about having small contractors, minority contractors, women contractors who are also going to be a part of building the schools here in these Abbott districts throughout the State of New Jersey.

But I'd be glad to answer any particular questions about our own program or anything else that might be useful to the Committee.

ASSEMBLYMAN STANLEY: If I could, real quick-- With respect to your program, how many students are you serving? And do you know of any other programs similar to yours around the state? Do you know how many are being served now and what the capacity will be for pre-apprenticeship positions?

MS. DOGGETT: In our own case, we started out -- just speaking now, just of the Department of Labor. We did some other programs before that, with funding from foundations and so forth. But with the Department of Labor program, which is paid for out of school construction, we did our first class this summer. We graduated 18 people from the summer program. And a little over half of them already, now, are actually working as registered apprentices, and another small number, three or four, have gotten jobs directly with contractors. So we're convinced that this is the right way to go. Without that extra work that we did with them, they would never have been able to qualify to get into those registered apprenticeship programs or even, probably, to get hired by a contractor. So we think that the fact that they can put on their résumé that they've been with us is important.

This Thursday, we graduate another class of 40 -- that will graduate this Thursday. And we're working with them now, in terms of helping them take tests that they have to take, taking some specialized training, etc. So we expect that we're going to have a very good placement rate with this group that's getting ready to graduate.

So in the course of, say, a 12-month period, we expect to have about 90 who graduate from our program, who would be spread out -- there are 15 trades here in Essex County -- so that they would be spread out over applying to these different union apprenticeships, as well as other apprenticable trades that we're working with or identifying.

So we are not-- I mean, there are hundreds more people who might be interested, but this is a reasonable number, we think, that not only we can work with, but that we could reasonably expect that could get placed. But we need a lot more than what we're doing.

ASSEMBLYMAN STANLEY: Thank you.

Senator Rice.

SENATOR RICE: Yes, a question. Maybe you can answer this, and maybe if Mr. Bowser speaks, he can answer it, too.

I've always been pro-union, when it comes to wages and all that -- health care, welfare, and all that. But I'm pro-people, first. And I guess the unions don't like me now, because I oppose project labor agreements. And it's interesting every time somebody gets locked into this, who looks like me, whether they're profit or nonprofit -- they buy into stuff. To my estimation, it's not the best way to go -- rather than educating folks. This is one component.

But the number of minorities from the urban cities that's criticized every day in the areas that you worked in-- How do we get them involved? Because the union's going to tell you that at my age, you're not going to teach me how to read and write, but so well -- because I don't want to know. But you know what? I'm a better painter than everybody in your union. And all I'm

being asked to do is paint the room red, but I can't get into the "project labor arena" because it's controlled. But your pre-apprentice training can get someone there.

But what about -- not that generation -- the majority of the folks would never benefit in these cities. And by the time we get the young people shaped up, billions of dollars in New Jersey are going to be gone. How do we shape that without fighting unions? How do we say, "Look, we know project labor agreement was a political deal for you in school construction, particularly, even though you're trying to muscle in on other stuff, too. We're going to stop you." But how do we get our share of that work?

So the same folks who come into Newark -- and you know who they are, because you're talking to the craft union, the John Clarks (phonetic spelling) and others, who tell you how they grew up in Newark, and then talk about us like a dog outside of Newark, etc. -- are criticizing our minority brothers and sisters, whether they're disadvantaged whites, or they're black -- in this city up and down Clinton Avenue. How do we get them involved? Because no one from your perspective is helping us fight that battle. What is happening is we're saying how wonderful our component is. But some kind of way we should be saying, we have a very wonderful component for this. But what's just as important, or more important, you have to do this. And that's how that thing got through, because a majority of the minority legislators in the Senate -- in fact, all of them agree with me in caucus -- but got to the floor and worried about getting elected, and allowed it to go through without a lot more debate.

Do you have any idea how do I help that group throughout New Jersey?

MS. DOGGETT: Yes, we do, because we run this program. But one of the things we constantly do -- we started back with EDA, and now we're working on School Construction Corporation. One of the things that's very important is the language -- and perhaps you can ask them to come to tell you what it's going to be. But the contract language that's in the bid specs that go out for the contractors -- the unions aside for a moment -- but what is it that School Construction Corporation is going to require be in those bid specs, in terms of enforcing the minority and women participation? Because the minority and women participation law for the State of New Jersey goes beyond apprentices. Apprenticeship is one way that they can meet the goal, but it also speaks to journey workers. And contractors could put journey workers on the job, especially if the unions are not sending them enough minorities and women. And this rule is rarely enforced.

Now, this is the history of the construction industry. This is not something I've come up with. This is part of a collective bargaining agreement, so that the School Construction Corporation, who's putting out these contracts, has got to have that kind of clause in there and make sure that the contractors will exercise their right to put people on a job if they're not getting the number of minorities they're supposed to have from the union hall. They have a right to do this. It's something they've negotiated.

SENATOR RICE: They're going to put journeymen on anyway. And the danger--

MS. DOGGETT: No, I'm talking about minorities and women journey--

SENATOR RICE: Well, you only have so many. My point is that if you took every minority and women journey -- put them on the job -- the majority of the minorities are still on Clinton Avenue, Springfield Avenue. We know the streets. Okay? They may not be journeymen, they're not anything because they've never been in the union. But the apprenticeship program-- The thing you need to look at, because I think the Assemblyman raised a very valid point -- how many people are you really moving? Well, you say 18 is a good number, even though there's a lot more.

And let me tell you why she don't have a lot more. (indiscernible) If she had 36, she wouldn't place them, and let me tell you why not -- because the unions will tell you that a journeyman is the person who's going to instruct the apprentice, oversee them, and work, too. No problem. But the problem is, you graduate 18. For every one apprentice you give them, they want five journey persons on that job.

And I always argue, "Wait a minute." Now, I used to teach. It seems to me that if I'm the instructor, why do I need five instructors for you? Why don't you give me five students and one instructor? That's the problem I'm having with my brothers and sisters in the crafts -- that we've got to argue that case. And we're silent to it, and we're part of -- because we benefit from the relationship -- it doesn't do us justice.

So that's why I wanted to raise it to see if there were some things that we should be looking at, in terms of that guy who had gotten beyond his

drinking habit and his prison record and can do some craft work and can learn, but can never get a job.

MS. DOGGETT: There are many people. What I was addressing was the fact that, in Newark, we meet a lot of the people. There are many people in Newark who have construction experience already, and so they don't need to go through an apprenticeship, but they do need a chance to prove that they can do the work on a job site. And that's what needs to be in these contracts -- is an opportunity for people like that, who have work experience. Maybe they got it in their own country, wherever they're from -- or from the south. So they have the work experience, and they have to have the opportunity to prove that they have the skill level. Even, many of them are beyond apprenticeship level -- they're really journey level, but need an avenue.

The other thing, of course, are the contractors who will be working on the jobs who are not union. And there needs to be-- There are, technically, some dollars in this Department of Labor program where people can get training for nonunion construction work, as well. And that needs to be tapped more, as well, so that some of the small minority contractors and nonunion contractors could also get trained workers. But, technically, there is a provision in there that could be used for that.

ASSEMBLYMAN STANLEY: Thank you very much. I appreciate that.

I see a Mr. Bowser here, whom I did invite, because I think it's very important that we understand how minority contractors are gaining access to the school construction package. And it's been a very important thing for us, as legislators, to see that happen. As Senator Rice said, that was one of the

key things that we demanded when we offered our votes to help put the school construction bill over the top.

And I'd, certainly, like you to offer anything that you can to us, with respect to what's going on, and where we are, and where we need to be.

**HAMILTON V. BOWSER SR.:** Thank you for inviting me, Assemblyman Craig.

My name is Hamilton Bowser. I'm President of Evanbow Construction Company in East Orange. My company is one of the oldest African-American general contractors in the State of New Jersey. We've done public work, and we've done private work.

We also were involved in the original creation of the school construction system, in that we were part of the team of Heery out of Atlanta, Georgia, who came to New Jersey knowing everything about how to build schools and how to get the system working. And there were two teams from the State of New Jersey, our company and another company. We both left the team early because Mr. Heery and his group was not listening. So if you have problems with the school construction right now, please don't come to me. (laughter)

I would like to offer a suggestion. I belong to the East Orange Education Foundation, which tries to support the East Orange school system. One of the things that we know, even though probably half of the members of the foundation are teachers -- teachers, not planners. Teachers are not very good decision makers, and that may be because of the way they've been educated in the educational system.

East Orange has taken an interesting tact, which you may wish to suggest to other communities. The board of education recognized that the school system, under this school construction program, was not moving. And so the mayor added to the school board's planning -- to Director Flanning (phonetic spelling) for the city of East Orange -- the director of the engineering department for the city of East Orange, and the director of development, and a few outside people representing, you could say, the community. But these are people who have experience in finance, experience in architecture, experience in engineering, to say, "Look, if we're going to move this project, we're going to need different kinds of people." And so this committee is relatively new, but it's charging, because the mayor says, "We're going to get our share, and we're going to get this done, and we're going to take better people in making decisions, who are used to making decisions, and let's get this moving." It's an interesting suggestion you might suggest to some of these other towns who claim they can't get started. So I'll move on to talk about the construction part of it, after that little--

A number of the things I'm going to say -- I hope I make recommendations. I was very pleased with Becky's summary of what they're doing with the pre-apprenticeship training program. They're making good strides, and I think they're doing a good job. But the important thing that Becky said, there, was that they have some sort of understanding with the trade unions. And you have to understand the laws -- both Federal law and State law -- to understand why that is necessary.

There is, in the U.S. Department of Labor, a requirement that all apprenticeship programs be an approved apprentice program. Who in New

Jersey has approved apprenticeship programs? Just about only the unions. Therefore, any training -- pre-apprentice training -- has to tie into the unions. And you're going to hear more about that as we go down the road. I'm going to give you a statistic. People may disagree with me, particularly the unions.

In the State of New Jersey, on average, with all the trades, there are less than 5 percent minority journey persons, less than 5 percent. The population in New Jersey is about 13 percent black, about 12 or 13 percent Hispanic. That's 26 percent right there. And we're talking about only five, which means the system has not worked for people that we're talking about -- I'm talking about right now.

So, somehow, we have to get the unions to do what Becky's doing -- is to say, "If you get these pre-apprenticeship training programs, you've got to take in people." Now, with the average age of the union journeyman right now, probably about 51, it shows that we're going to need new people in the trades. That's just union membership.

One of the things that came out of this project labor agreement -- Senator Rice referred to -- is probably one of the worst things that has happened to keep minorities out of both the construction trades as workers and as business. It is a union document. It was set up to protect the jobs of unions. And I have to say, even though Senator Rice said there was opposition to it, there was practically no opposition, in either the Senate or the Assembly of the State of New Jersey, against adopting this without even considering many changes.

Now, my Association -- the National Association of Minority Contractors -- has written a project labor agreement, which is inclusive. Now,

let's go back to project labor agreement. Where does it come from? The unions wrote it. It's an agreement, job by job, that both the owner, contractor, and the unions become a party to. So the unions wrote it in their favor. And unless you know the construction business, you will pass over things that say, "Oh, yes, we're going to take in minorities," but then we talk about, they have to be in the apprenticeship program.

So, therefore, we can open our mouth and say we're big hearted and all of that, but if you put the road block it's not going to happen. So one of the things that we suggest changing -- and what we suggest is, don't use the unions' project labor agreement. Use the one we wrote. And if anybody wants it, the disks are free for the whole thing. It includes all the good things the union wants, but it also includes things that we want, such as availability of getting at the jobs and doing business.

One of the parts of project labor agreements that we're particularly upset about, and will stay upset about-- It says that if you go -- we'll let -- we, the unions and the owner, will let a nonunion contractor on the job site, but his men have to report to the union hall, get registered with the union hall, and pay benefits to the union hall.

Now, the question comes -- is, jobs don't last forever. A carpenter may go on a job for four weeks, eight weeks, and the benefits are being paid to the union hall. The project labor agreement does not say if the man leaves that job the union's got to give him back his money. The unions are doing an illegal act under the laws of the State of New Jersey, which sets up prevailing wages that says a man is entitled to his base rate, plus the benefits. Now, if the union takes the benefits and they don't pay him back, somebody is stealing

money. Why? Because the unions put that in their general pot to keep them going.

So project labor agreements have to be changed to specifically say that a man that doesn't work 1,000 hours a year gets his money back, all of it. He doesn't have to pay dues to the union. He's not a union member. So he should get all of his money back.

ASSEMBLYMAN STANLEY: Can you provide your document to the Committee?

MR. BOWSER: I only wrote it long-hand, but I'll make a copy and give it to you.

ASSEMBLYMAN STANLEY: I mean the document you reference with respect to the--

SENATOR RICE: The PLA--

ASSEMBLYMAN STANLEY: The PLA that you reference.

MR. BOWSER: You call Al McNeil, School Construction Authority. They're the ones that are issuing this, and they've already started. Joe Hernandez, one of my associates back there, gave me one of the latest copies, and it still doesn't have protection in it.

So if you would like to make a comparison, get one of their copies. I'll send you a disk. Run yourself a copy and compare the words in both. Okay?

ASSEMBLYMAN STANLEY: Okay.

MR. BOWSER: Now, the other part is, nowhere in that document -- what Becky's doing -- does it say that the State is spending all this money over here to train these people in pre-apprentice, and it doesn't say a thing

about getting them into an apprentice program. So we believe there should be some words in the project labor agreement that says that the unions should be taking in some of these trained people that Becky and the others are training.

The interesting thing -- Becky said that there were limited funds. I say it, because I've said it before. New Jersey Department of Labor is a union -- AFL-CIO -- union-run organization. Decisions that are made by the Department of Labor have AFL-CIO requirements. Everything they do down there is union based. We have a lot of open-shop, nonunion contractors who would like to do work. Why set up things that keep them from doing work.?

Becky mentioned some of the bumps in the road to get prequalified. A contractor, to do public works in New Jersey, has to go to the Department of Labor, pay \$300 a year, and get registered. And all he's registering for is to say he's going to pay prevailing wage if he does public work. Well, that's in the law anyhow. But what it is -- it was put there to scare small contractors away, and it's doing a great job. Small contractors are not applying to do school work. After that, you have to go to the Department of Property Maintenance and Construction and get certified as to the dollar value of the work that you can bid on. Number two, then you've got to go to EDA -- now the School Construction Authority -- and get certified again and submit more paperwork. The paperwork is just piling up.

And so we suggest, get rid of the -- this is a law now, set this up about three or four years ago. We objected to it, but it was approved. We say, get rid of that Department of Labor prequalification. Do only the one with the Department of Property Maintenance and Construction. Tell EDA to cut its

paperwork down. And let's make it a little easier for small minority businesses to get some contracts.

SENATOR RICE: Ham, could you go through that stuff again? Get rid of what now, Department of Labor prequalifications?

MR. BOWSER: The Department of Labor requires anyone who's going to work on public works, not only at the State level, but every other government level--

SENATOR RICE: Right.

MR. BOWSER: --to get precertified by the Department of Labor at a cost of \$300 a year. And you have to sign a statement that you're going to pay prevailing wage if you work on public work jobs.

SENATOR RICE: Right. That's one side. But you said get rid of this and keep--

MR. BOWSER: And let the Department of Property Maintenance and Construction -- and I always have to hesitate, because they changed their name -- let them do the prequalification, precertification, whatever. And, of course, to be a minority, you have to also get minority certification from New Jersey commerce and industry.

SENATOR RICE: Right.

MR. BOWSER: The other part -- this Department of Labor, \$300 is really irksome, because a little ceramic tile contractor who is going to do a \$2,500 job-- He's going to pay \$300? Where's the profit? There's no profit, so why should he bother. So what happens is, as Becky said, the big contractors come in who do ceramic tile work, which then keeps out the

smaller contractor. Three hundred dollars is nothing to them. It's a lot to a small contractor.

And then, why is it that, right now, the School Construction Authority and EDA is putting out requests for proposals to identify and get minority contractors and small contractors -- go through this whole process so that it be available to do school construction work. They're putting it out because small minority contractors don't want to go through all that paperwork to start with.

Secondly, there is still a lack of adequate capital for a lot of the companies. We, through the National Association of Minority Contractors, recommended a fairly simple method that would provide working capital for smaller minority contractors. I don't think anybody's given a second thought to it. I won't say that completely. There's a fellow named Dan (*sic*) Moore, who is in the School Construction Corporation, who said he will try to get it through.

It's been used elsewhere as a means of providing working capital and making fast payments. You know, normal payments in the construction industry is 30 days. With some of the contractors -- subcontractors who work for large contractors -- it might go to 45 days before you see a dollar. And that's putting a lot of money into the job before you get a dollar back. So we proposed a method of providing some operating capital, even during that period of waiting.

As to bonding--

SENATOR RICE: What's the method?

MR. BOWSER: Oh, you want to know the method?

SENATOR RICE: Yes, if we're going to push it, we have to know what we're pushing. I'm looking at what school construction gave us.

MR. BOWSER: I'd have to send you the words. But, basically, it says this: EDA sells bonds. Once they sell the bonds, they've got a lot of money. If they were to take that bond -- I mean, take some of that money and put it into Fleet Bank or one of the other larger, statewide banks. But make a deal beforehand and say to the bank, "I'm going to put \$3 million in your bank, because I want you to help us with our program." Every one of our small minority contractors who want to do business will come in and open up an account. They'll pay a hundred dollars and open up an account. But during the course of the job, when they get -- put in an invoice, the invoice can be approved by a construction manager, the architect, or the owner, whoever's signing off, within two or three days. As soon as it's signed, he can go to the bank and borrow. He can even borrow beforehand, because he's in the program. But he can only borrow on the fact that he's going to have a contract. And the bank has to agree to provide the accounting for him, just like anybody else that borrows money. And the money, then, is -- that he earns, say, working for a general contractor -- and the general contractor pays. He sent it to the bank. The bank puts it in his account. He's constantly replenishing and paying off his loans.

EDA has established a partial guarantee that he's going to finish. But the real guarantor of whether he finishes is the contractor and the State's program management firms. They're the ones who say, "Yes, the guy finished 50 percent, and he can get 50 percent of his money." Now, if he did 40

percent and they say he can get 50 percent, who's at fault? The program management firm.

So it's relatively simple. I'll send you the writing for it so you can try to push them along to accept that.

SENATOR RICE: Just quickly, the reason I raised that is because Assemblyman Stanley has been holding a series of meetings -- raised a lot of questions -- and that was one of the concerns that we had, also.

There's a response here, which looked like they may be paying attention to you. They may not be all the way there, but I'm looking at one of the things they did, in terms of procurement in dollars and bonding that we continue to raise-- It's that one of those RFPs that went out and got advertised is for security bonding, but also working capital program. And what they're saying here is the same thing we've been saying. If small businesses don't have the working capital, you can't pay anything, you can't do a job, etc.

I hear you say there should be another in-house step to take it further, because a lot of that money is drawn on a percentage of work completed. But it looks like some of these documents are moving in that direction. But we want to be clear. That's why I wanted to ask what should we be asking for.

MR. BOWSER: I would say if you think their talking about it is moving forward -- they're two different things. They've been talking about this for two and a half years.

SENATOR RICE: I mean, this has been RFP'd. That's why I said-- It's different when you put RFP and advertisement-- Now, what you get back is something else.

MR. BOWSER: The National Association of Minority Contractors -- our New Jersey chapter -- got the Surety Association of America to send a free consultant on bonding to Trenton to help them to work through this bonding issue. There's a law in the State of New Jersey, which is not being used, that any job up to \$200,000 doesn't -- may not require a bond. It's up to the contracting officer. And that could be used for the smaller jobs. Why not?

There are other ways to guarantee that a contractor will finish, such as instead of having 10 percent retainers, go to 20 percent. And when you're in a man's pocket, he gets very, very serious about finishing a job. Just a second method. So, bonding and financing -- there's going to continue to be problems, and we would hope that you all can take care of some of that.

We have, also, a concern that in the urban cities -- that the predominant minority groups are black and Hispanic. Half the world is now designated as minority. All of Africa, all of South America, all the Caribbean, and then the Asians, and the rest of them. So we have a concern that whatever is happening, there has to be something to ensure that more of our black and Hispanic contractors are included.

I personally -- and I'll say it for the public record -- I don't think anybody who came here after 1965 should be considered a minority firm in any of these programs. One, they weren't discriminated against in this country, and all the other things that occurred prior to 1965. So, therefore, to assist that class that was discriminated against-- I personally think the whole thing should be rewritten and say that, only for people and their descendants who are here since before 1965--

The question was asked about the ratio of journeymen to apprentices. This is not even a question to talk about unless you want to change the prevailing wage laws of the State of New Jersey, because the prevailing wage laws of the State of New Jersey follow the union rules. The rates that are paid are to the penny, the same rates that the unions pay, to the penny.

The ratio of apprentices to journeymen is whatever the union says it is. But that's in the law. You'd have to change the prevailing law to change that.

ASSEMBLYMAN STANLEY: Mr. Bowser, I'm sorry. I think we're getting ejected from the room. (laughter)

MR. BOWSER: Oh, they're telling us to get out? Okay.

UNIDENTIFIED SPEAKER FROM AUDIENCE: Well, not get out. We're a half hour over our time.

MR. BOWSER: Okay, just one more item.

We recommended, when we were involved in setting up the structure for the School Construction Program, that they include alternate dispute resolution in the law. The Attorney General's office got it, which is run by all attorneys, and decided, no, they want to continue litigation. If you want to save some money, get alternate dispute resolution put into the school construction general conditions.

Thank you.

ASSEMBLYMAN STANLEY: Thank you very much. We appreciate your coming, and on such short notice. I think I saw you -- it might have been -- Friday or Thursday. And I really, really appreciate your

testimony. And you're welcome to join us in Trenton on Thursday. We're going to be hearing from the -- Al McNeil will be there, I believe.

HEARING REPORTER: Excuse me, Mr. Chairman, if you wish these comments to be printed up, they'll have to be spoken into one of our recording mikes.

ASSEMBLYMAN STANLEY: No, that's all right.

Thank you very much. At this point, we'll adjourn the meeting. Thank you all very much for coming.

**(HEARING CONCLUDED)**