

Committee Meeting

OF

JOINT COMMITTEE ON THE PUBLIC SCHOOLS

SUBCOMMITTEE ON SCHOOL FACILITIES AND CONSTRUCTION

*"Department of Education Commissioner, Lucille E. Davy;
Schools Development Authority representatives Scott Weiner and Kris Kolluri,
will give an overview of proposed new construction projects, as well as the new
process for grants for the Regular Operating Districts"*

LOCATION: Central High School
Newark, New Jersey

DATE: December 3, 2008
11:00 a.m.

MEMBERS OF SUBCOMMITTEE PRESENT:

Senator Dana L. Redd, Chair
Senator Ronald L. Rice, Co-Chair
Assemblywoman Joan M. Voss, Co-Chair
Assemblywoman Mila M. Jasey

ALSO PRESENT:

Assemblyman Albert Coutinho
Assemblywoman Cleopatra G. Tucker

Melanie Schulz
Executive Director

Sharon Benesta
Chief of Staff



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

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Ben Cope
Director
External Relations
TEAM Academy Charter School

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SENATOR RICE: Good morning.

This is the Joint Committee on the Public School's Subcommittee on Facilities.

My name is Ronald L. Rice -- I'm the New Jersey State Senator and Co-Chair of this Committee. I put the *L* there, because you're in the City of Newark. There's a Councilman by the name of Ronald C. Rice, and I don't like to be confused with him when he does the wrong thing. (laughter) I take all the credit when he does good things, since I'm his father.

I want to welcome you and thank you for coming. I also want to thank the Superintendent of Schools; and also the Principal of this great facility, Ras Baraka, for allowing us to hold our meeting here this morning.

The Joint Committee is overseeing the Abbott district schools in various areas. A few years ago, when I became Chair of the Committee, I set up subcommittees so that we could get a lot more work done, a lot more accountability, and pay attention. This is the Facilities Committee.

I just want to welcome you and to also let you know that we want to hear from you.

And we're going to turn this over now to the Subcommittee Chair, a very dynamic Senator who has come in and is doing a great job. But let me also say to you, and those who may not know Senator Dana Redd, she's not new to government. She's new to the Senate, but she's performed at the local level in Camden for a number of years as a councilperson there. And so when you talk about the needs of districts, particularly the Abbott districts, the urban districts, she's no novice to it. And I think if you know Camden, you understand that.

So with that, let me turn it over to the Senator, and she can acknowledge the members who are here from the State Legislature.

SENATOR DANA L. REDD (Chair): Thank you, Senator Rice.

Good morning, everyone.

Let me say what an honor it is to be here in this wonderful facility. It certainly demonstrates what can be done in school construction and how academic learning environments can be creative and conducive to learning.

I represent the 5th Legislative District, and obviously I'm one of the newer members to the Legislature this year. But I want to take a personal privilege to thank Senator Rice, who Chairs our Joint Committee on the Public Schools, for appointing me as the Chair of the Subcommittee on School Facilities and Construction. It's certainly been a wonderful opportunity to serve the public up and down the state.

Today represents our third public hearing. We actually started October 8, with the first public hearing in South Jersey, at Camden High School, which is a school that is close to 100 years old. We had our second public hearing in Jersey City, and we're concluding here today for this year, 2008, in North Jersey, here in the City of Newark. And, again, this is a wonderful, wonderful facility, and I congratulate anyone who played a part in its construction and its building.

I'm going to, at this time, ask that we all stand for the Pledge of Allegiance, and then we'll turn it over to the members for remarks.
(audience recites Pledge of Allegiance)

Thank you.

SENATOR REDD: Thank you.

As the Chair of the Subcommittee, I would like to first call upon the young lady who represents this wonderful district, who joined me in the Legislature just earlier this year. She's been a tremendous advocate for education and certainly was a vocal supporter of the bill reauthorizing school construction dollars for the State of New Jersey. Please welcome Senator Teresa Ruiz.

SENATOR RUIZ: Thank you, Senator Redd.

Good morning, everyone. (applause)

Thank you, Chairman Rice and Chairwoman Redd.

Good morning, everyone.

I will tell you that last year was certainly an exciting one in the sense that when -- the night that we ended session right before Summer break, we had what I believe was the best vote on the Senate floor, and that was the bonding for school construction. It certainly was not enough, but an indicator that we will have more facilities like these for our students to learn in.

I will tell you, as personal experience, the story of Central High School is one that goes on for nearly a decade. And I was invited into the chapter of that history book by a dynamic woman who was really representative of the families, and the parents, and the students. And I want to recognize Ms. Jacobs who, in the midst of what was a back and forth before we see this great edifice that's here, was a symbol of hope, of unity, and of bringing everyone together to ensure that we weren't going to stop until these doors were opened.

So I want to say thank you to you.

In addition to that, we have an administration here in this school that is phenomenal. I don't see Principal Ras Baraka here in the room -- or my eyes may be failing me. He, with his administrators and teachers-- The first meeting that we had at the old Central High School cafeteria -- where we were fighting for supplemental stimulus money, where we were fighting just to get the doors open and the school ready for September -- his students, his administration, and the teachers were certainly an energizing force.

And then to Mr. Scott Weiner, who dealt with all the harassing phone calls on my behalf, and I know Senator Rice and Assemblyman Coutinho, and all the entire Essex delegation who said we're not going to stop until we're done.

So thank you. Welcome to the City of Newark. I know that I will have the privilege of introducing other individuals here.

And to certainly all of the folks who are here-- We see members of the clergy who are present with us. And it's an indication that the City of Newark is ready to be a unified force in moving this community forward.

At a time where there are so many questions about the economic crisis and how we're going to move forward day to day, I will remind you that we're in a place where hope and change occur on a daily basis. And we do that because our students, our children in the City of Newark are the ones who are going to have us prevail in the future.

So thank you and welcome, again, to the City of Newark.

SENATOR REDD: Thank you, Senator Ruiz.

To the Senator's left is Assemblyman Albert Coutinho, who is certainly no stranger to any of us. Again, in the Assembly, he was a very ardent supporter of the legislation that authorized \$3.9 billion in school construction funds. Obviously, it's an investment in education and in the youth, but also an economic stimulus at this very important time during our national downturn in the economy.

Please welcome Assemblyman Albert Coutinho. (applause)

ASSEMBLYMAN COUTINHO: Thank you, Madam Chair.

Let me just briefly, of course, thank Senator Rice and Co-Chair Senator Redd for inviting me to be able to sit on today's Committee. I am not a standing member of this Committee, but this is, without question, my top priority. Having been sworn into the Legislature last January, I'm very proud of the fact that we were able to reauthorize this program and get additional funding.

I think when we look at this, school construction serves many needs. First and foremost, of course, is the educational needs so that we can make sure that our kids are getting the education that they need. It also answers a legal need. The educational need was so extraordinary that people forget that there is a standing court order for the State to do this, to build these schools where they are needed.

Also, one of the arguments we made in the Spring -- and, right now, a lot more people are in tune with it -- is it also serves an economic need. When times are tough, the role of government is to help create jobs. And by expanding the School Construction Program, we are putting people to work and, hopefully, helping to avoid foreclosures and other things by

actually giving them a paycheck while simultaneously investing in the future of our society.

Lastly but not least, there is a moral obligation to give the youngsters of our communities the chance that they need to be successful in these ever-challenging times.

I want to just briefly thank our exiting CEO. Mr. Scott Weiner was somebody, in the short period of time I worked with -- I mean, almost on a daily basis, and I harassed him constantly. But we would not have been able to reauthorize the SDA expansion if it was not for the modifications that were done. We know that there were some problems in the past. Those things, luckily, have been corrected. And obviously this board and the Legislature will be diligent as we move forward. But without Scott's work, we would not have been able to continue. So I thank him and wish him well in all his future endeavors.

And, of course, to welcome our new CEO -- somebody who needs no introduction, who has already distinguished himself for his service to the public. That, of course, is Kris Kolluri.

I look forward to working with you. You probably may not feel the same way in a few months time, (laughter) but I definitely look forward to some exciting, and necessary, challenging times ahead.

So thank you, again, for having me here today. And I look forward to working with everybody here to make sure that the School Construction Program is as efficient as possible, but obviously is as productive as we can make it.

Thank you.

SENATOR REDD: Thank you, Assemblyman.

Our Co-Chair of the Joint Committee on the Public Schools has arrived to join us today. She has been in the Legislature for many years and definitely very, very vocal as it relates to education and the young people, and vocational and career academies. We share a very kindred spirit.

Please welcome Co-Chair, Assemblywoman Dr. Joan Voss.
(applause)

ASSEMBLYWOMAN VOSS: Thank you, Senator Redd.

I am just in awe of this facility -- when I came in. I am a teacher by profession, having spent more than 41 years in education. And it is my passion. And to see a state-of-the-art facility like this just makes my heart so happy.

As I said, I have been an educator all of my life. I've spent more than 41 years in education. And to see a facility like this just makes my heart happy, because we need a great environment in which the children will feel secure and also have all of the opportunities that we wish they will avail themselves of.

And I looked at the building across the street. And as I was walking in, a young man was coming with me, and he said, "Oh, I wish I could have been a student in this school," instead of the school that he went to. And I think that when kids walk by and see this building, they are going to want to come to school. It is going to be something that is going to be very gratifying for them.

As you heard, we had the Schools Construction Corporation, which unfortunately did not fulfill a lot of the expectations that we had. And now that we have the School Development Authority--

I also want to thank Scott Weiner -- for the exceptionally wonderful job you have done.

I'm going to do what I usually do when I see Scott. Scott was one of my students many, many years ago. And when he took over the Schools Construction Corporation, I said, "Ah-ha. I'll be watching you," because I knew that he was going to do a fantastic job, and he has done so. And I wish him well in his future endeavors.

As Senator Redd said, one of the things that I'm most interested in is giving students opportunities to develop their skills. All children do not learn in the same way. All children do not have the same skills. And we need to give them the opportunities to develop their skills. There's a wonderful book I always recommend to people called *The Seven Levels of Intelligence*. And we must address each of these levels. And I am a very big supporter, as Senator Redd said, of technology education and vocational education. Because we have to train our kids to go out there and be able to make a good living.

I am not a supporter of the type of education system where one size fits all. And I think in this facility we're going to be addressing all of the needs of the students and helping them hone their skills so that they will become very productive members of society.

Since education is my passion, I can go on and on, and I won't do that to you. But it's a pleasure to be here.

And I, as I said when I began, am in awe of this building, and I wish every child had an opportunity to attend a school like this.

Thank you very much.

SENATOR REDD: Thank you, Assemblywoman Voss.

Our next member to have opening remarks sits on the Committee for Veterans Affairs, and also serves on the Committee for Health, Human Services, and Seniors on the Assembly side; another person who supports education and recognizes how education can transform lives and improve the quality of life of our communities that we serve, collectively.

Please welcome Assemblywoman Cleopatra Tucker. (applause)

ASSEMBLYWOMAN TUCKER: Good morning.

I would just like to take this time to welcome all of you -- for coming out to this public hearing today.

And I'd like to thank Ronald Rice, the Chair, and Senator Redd for convening this hearing in Newark so we can get a chance to see -- to show you what can be done in our areas. This is a lovely facility. We had a chance to take the tour. And schools like this are just the starting point and a setting point to show what we can do with our schools under the new plan of school construction. We can build these types of schools throughout the state. And we are just proud to have this facility here in Newark and to say that we can manage the type of learning in this institution. It's not geared for one type of learning. One shoe does not fit all. Here we can do everything in this facility here.

And I'd like to thank the Principal, because he's a wonderful person, and he's just doing so much here at Central High School.

SENATOR REDD: Thank you, Assemblywoman Tucker.

And last, but certainly not least, is Assemblywoman Mila Jasey, who has a very strong background in education, serves as the Vice Chair of

Housing and Local Government, and is also an Assembly member of the Committee on Education.

Assemblywoman. (applause)

ASSEMBLYWOMAN JASEY: Thank you, Senator Redd.

I don't really like sitting up here. It feels like we're so far away in terms of having a conversation.

The advantage of going last is that everyone has been thanked, and I repeat all those thank yous.

And I would just say that this building, this facility, and the work that's going on gives me hope that we are finally turning the corner, and we're going to begin to really take care of our children everywhere, no matter where they live, no matter who they are. Every child is a new beginning and has potential. And we, as the adults, are responsible for developing that potential.

This building is a physical declaration that we want to do the right thing, but there are many other facilities that need work, that need building. And we have so many children that we're not serving well. I look forward to the opportunity to do a better job in terms of serving our children who are, indeed, our future.

So I welcome this. I look forward to working with all of you, with everyone on this stage. And although these are difficult economic times, I think that we can use this as an opportunity, as has been said before, to create jobs, to create opportunities, and to move forward and give the next generation hope.

So thank you for coming today. And I look forward to hearing the report.

SENATOR REDD: Thank you, Assemblywoman Jasey.

At this time -- as I mentioned earlier in my opening remarks, we are in the district of Senator Ruiz -- and I would like for her to call upon our local elected officials to come and give welcome to the Joint Committee on the Public Schools.

Senator Ruiz.

SENATOR RUIZ: The City of Newark's Board of Education has certainly undergone a huge transition in the last decade or so. And it's a testament to a past leader who really laid out a foundation for what will happen here in all of our schools, Ms. Marion Bolden, who just recently retired from the school district. She was a testament of what the City of Newark can be, was an image of what our children's future can become. And she struggled through many years of push-backs, but survived and laid a foundation for groundwork that I know will propel us to heights, propel us to dreams that no one could ever conceive of.

In the midst of all that change, I think the City of Newark was blessed to find an individual who, in a short time, has demonstrated a tenor of strength, of dedication, and commitment, who has a stellar record -- background in urban school districts, and who certainly has become part of the City of Newark's family.

And I want to welcome our new Superintendent, Dr. Clifford Janey. (applause)

SUPERINTENDENT CLIFFORD B. JANEY, Ed.D.:
Thank you very much.

I'm very pleased to be here this morning.

But as we would all agree, first, things should be in order -- and give recognition to our students who are here to my right. Would you welcome them? (applause)

Newark needs no introduction to you, and perhaps the school district does not need a formal introduction. But I'm here to give my regards to you for your presence here this morning. It reaffirms the power of relationships and how those relationships turn hopes and dreams into reality. This school building is a reflection of the relationship between the old Central High School, its students, its faculty, its staff, and certainly the Alumni Association and the broader community here within this part of the city.

And being here, for me, is an act of converting challenges into opportunities. And the elected leaders who are here this morning, and others who have joined in-- Your presence really becomes a way by which we can equalize opportunities for all of our school communities in New Jersey, as well as Newark. You are certainly aware that all schools and all communities are not created equal, and by your presence, and through your leadership, you are making good on delivering on what you believe in and what our communities and school communities believe in.

So I will close on that note.

And I want to thank, also, as you have, Scott Weiner for his contribution to that relationship between schools, and communities, and the State, and school districts; and welcome his successor. I should give him some warning that he has been on the job just two days, and he will be asked, "What have you been doing for the last two days?" (laughter) We have had that experience, as superintendents. But he should take some

comfort, because they are asking that same question of President-elect Obama, and he has yet to serve in office. And people are asking, "What has he done for me lately?"

So to you, Kris, we will be working with you on some very exciting projects. And I pledge our continuous support, not just within the school district, but also on the part of the Board of Education, to make good on those promises and expectations that students, families, and communities have of each of us as leaders here in Newark.

Thank you very much. (applause)

SENATOR RUIZ: Thank you, Superintendent Janey.

I do recognize the President of the School Board, and I would ask him to come to the table to bring remarks on behalf of the Newark School Advisory Board -- and that's the Chairman, Samuel Gonzalez. He's no stranger to me. (applause)

As a point of full disclosure, Samuel Gonzalez is my husband.
(laughter)

SAMUEL GONZALEZ: Thank you, Senator Ruiz.

Good morning, everyone.

On behalf of the Newark Public School Advisory Board, I want to welcome you to our great City of Newark, but more importantly, to our great school district and our great school building, Central High School.

I want to thank all of you for your commitment to education. I realize that in June you had to make a tough decision, and I think it was the best decision that anyone as an elected official could have ever made. Anytime you make a decision investing money in the future of our students,

it's something that should be honored. It's a privilege. And someone should always say thank you.

I want to also thank SDA. I want to thank Scott Weiner and his entire team, who really worked extremely hard to make sure this building was opened in a timely manner. Yes, it was -- took 10 years to do this building. But when Scott and his crew got a handle on this thing, they made their commitment, and it was opened in a timely fashion like they stated.

I wish the new director the best of luck.

I know Commissioner Davy is here. I want to thank her for her support over the years.

And again, to all the Senators and Assembly people here, I want to thank you, and I welcome you to our city.

Thank you. (applause)

SENATOR REDD: Thank you very much.

To the members of the Committee, if I can take a point of personal privilege, I'd like to digress from the agenda for a moment to recognize and honor a gentleman who has helped to transform the SCC into the SDA of what we know today. He has put into place systems that will bring about not only accountability and transparency, but also responsiveness to the communities across this state.

I've only had a short privilege of working with him my first year as a State Senator, and I've always found him to be forthright, very direct, informative, but passionate about the issues surrounding education. And when we had him come before our Budget Committee to testify in support of the legislation, he did so with fervor and zeal, and he answered the

questions from a factual standpoint and really sensitized members of the Committee as to why this legislation was the right thing to do for this time in our society and in the State of New Jersey.

I call to the forefront, commissioner (*sic*) Scott Weiner, who is leaving us, officially, tomorrow. He will be fondly missed for a number of reasons that have been expressed here today.

But we have a very special presentation for you. I know you didn't anticipate this. But it is coming from the Co-Chairs of the Joint Committee on the Public Schools, both Senator Rice and Assemblywoman Joan Voss.

Please come forward, if you will. (applause)

SENATOR RICE: Let me just say that I've been a New Jersey State Senator for 26 years. When the Joint Committee on the Public Schools was formed by legislation, I was one of the first members on there -- on that particular Committee. I was there. I worked very closely with the first executive director, Mr. Spencer. And he did a good job laying the foundation of the EDA.

When Scott came along, as you know, the State was in turmoil. There were a lot of questions asked, a lot of concerns about accountability from SCC, which ultimately became the SDA.

We have really come a long ways because of your leadership, Scott and the staff around you. I know anytime I called you, you were only a phone call away. I know if I needed you, you'd respond. And that's been for the staff, as well. We're going to miss you.

And I told Kris the same thing. I've known Kris a long time. I said, "You know, Kris, you can fill a lot of shoes, but these are really big shoes to fill."

People don't understand what a substantial, very complex job it is to be the only state in the country that has a court ruling of the Abbott districts to bring about new school construction and parity within the operational and administrative aspects of a district.

You have done it well, Scott, and I thank God that you took your job seriously. And because of you, we're here today. We know there's a punch list. We've read the papers. We know schools have been built throughout the State of New Jersey. I know that we have visited Phillipsburg many, many times, and we've always raised the concern.

For those who don't know, Phillipsburg is on the line of Pennsylvania. And off the top, we have forgotten about a very serious need, the Abbott districts up there. And that's coming along.

So, Scott, I won't read this, but it really depicts from all of us on this Committee, and the Senate President, and the Speaker of the General Assembly, how we feel about you and the work that you have done to-- Bring your staff along.

We're going to miss you. And if I can find anyway -- and I will say it publicly -- to work you around us, with us, in some kind of way -- because your wisdom, and your knowledge, and the relationships you've developed with the trade unions, with the local mayors and councils, with the school boards, and superintendents of schools is such an important asset to where our future will be over the next 10 years or so under this program.

So we're going to present this to you. We'll ask the Co-Chair to come up and maybe say a few words, and any other members who want to.

ASSEMBLYWOMAN VOSS: Thank you, Senator.

I can't tell you how proud I am of Scott. He went into a job that was in turmoil and created paradise out of chaos. And this school is a testament to what he has done. He is going to be sorely missed because of his expertise, because of the way that he worked with all of the groups.

I can't add very much to what Senator Rice has said.

But, Kris, you have big shoes to fill, as the Senator has said. I look forward to working with you, but I certainly will miss working with Scott. And I wish him all the luck in the world. (applause)

S C O T T A. W E I N E R: I am uncharacteristically speechless. (laughter)

Let me just say a couple of things. I have known Senator Rice and some of the members of the Committee and the Legislature for many years. I've said, and I want to repeat, I've been very blessed that I've had the chance to do some very important work in the State. This is the most important thing I've done in my life. And I welcome the opportunity to work with all of you and hope we can find ways that we can work together.

I learned many years ago -- probably at least 19 years ago, when I first started working with Senator Rice -- that when you say something, you need to follow through. And it's a lesson that's held me well.

But I have to admit, Senator, that the lesson that really came back is -- I learned many years before that -- that you don't come to Ms.

Voss' class late with homework. (laughter) And that's been a value that's stuck with me.

It has been an honor to work with all of you. I'm going to get a chance to say a few remarks, along with Kris.

There's a lot of work yet to be done. I can assure you, in the time that I've spent with Kris, both before he took on this assignment and since he's taken on this assignment, everybody should feel very good and very comfortable. I can't think of a better person to lead the agency to its next level. We all have roles to play.

I am-- It's very exciting for me to be standing on this side of the auditorium. Many of you in this room stood with me and members of the SDA team when we couldn't walk through the door because it was still under construction. There was never a day when the SDA staff didn't spend every day trying to get this building completed and buildings like it around the state. And I see my friends and colleagues from Neptune here. We had some challenges in those communities, we had challenges in other communities. But when you work at any job, all you can ask for is the opportunity to do the best you can, to have shared expectations with the people who are counting on you. I had that experience with the Governor, I've had that experience with this Committee and the members of the Legislature, and I've had that experience with the members of the Newark community. And with all the phone calls, and all the aggravation, all the upset, I think we all recognized that we shared the same goal, and that is that this school and others like it become available to children around the state.

So to Ms. Jacobs, to other members of the community who are here, I thank you for your support. Support takes many different forms. And in those meetings in the old Central High School, in the meetings in this building, in the meetings at Science Park, we all shared that goal. And I can tell you, unequivocally, that that shared goal and expectation will carry on with the SDA staff, particularly under Kris' leadership.

Thank you all very much. (applause)

SENATOR REDD: At this time, we move forward with the agenda. We would like to call our incoming SDA CEO to give a presentation to the members of the Joint Committee, commissioner (*sic*) Kris Kolluri.

KRIS KOLLURI: Thank you, Madam Chairwoman.

Before I speak, with your indulgence, I'm going to ask Scott to give you a brief overview, since we're in a period of transition. I thought he could share a few remarks about the biannual report that he was instrumental in preparing along with our colleagues. And I will take it over after that, if that's okay.

SENATOR REDD: Thank you, commissioners.

And we're going to ask you to use both mikes as you give your presentations so that we can have an accurate recording and transcript.

SENATOR RICE: Excuse me, through the Chair, just pull the mike closer to you, because I noticed that they're on. And when you step back -- fade back, it's hard to hear you.

MR. WEINER: Okay. I think that's working. (referring to PA microphone)

Again, thank you.

I have to catch my breath.

I have the honor of presenting the biannual report. It's significant not just in its content, but I think it underscores and illustrates the change that has occurred over the past few years.

We now -- and I'll continue to use the pronoun -- we at the SDA operate in partnership with the Legislature, particularly this Committee. And we view it as an important bit of accountability, but also an important tool for our planning -- that we come before the Legislature every six months, to this Committee -- through this Committee, with this report, to talk about the things that we said we were going to do, the things that we in fact accomplished, the things that we didn't accomplish, and how we're going to do better next time. And that kind of reporting and accountability, I think, has allowed us to achieve the accomplishments over the past couple of years.

I know the report is before you. I think it speaks for itself. I do want to talk about a couple of items. One is, you'll see in the beginning of the report that there is an articulation of the agency's mission, visions, and values. Those elements should not be new to this Committee. We've talked about them over the years. But they've now been memorialized. And what's important is not just that they're words on paper, but the process by which they were created. And it was a process that involved all the employees of the agency. And I appreciate the recognition that you've given to the staff that you see here, but I also want to point out the couple-hundred-plus people who you don't see who, every day, make this possible. Those missions, visions, and values of the agency were articulated by all of them and is something that we live with every day. And if anybody comes

into the SDA offices now, they're the first thing that you see when you walk in the office. They're on everyone's desk, and we try to live by it. The agency won't always succeed, and we will need people to point that out to us, but it's something that we're committed to.

I also want to thank the team that I've had a chance to work with over the past few years. If there's one legacy that I'd like to think about leaving as I pass the baton, it's that team, it's the staff that we built, the processes that we've established. We've built some schools, and we've opened up some facilities, and that's significant. But what everybody should take confidence in is that the systems are in place, the fiscal and programmatic accountability is there, and now it's time to have some real fun and accomplish even more over the course of the next number of years with Kris' leadership.

In the past two years, we were able to open 54 major facilities that delivered over 45,000 new seats in those new facilities to the children of the state. We all know that that's just a drop in the bucket that we need to address. Those were in the urban areas. That doesn't speak of the other component of this program, because this is a statewide program. And that's the millions, and tens, and hundreds of millions of dollars that have been appropriately invested in our suburban schools. And that's another important part of the program that Kris and his team will be developing, along with the Department of Education.

Finally, in terms of partnerships, the report also talks about some very important initiatives that represent a sea change in how work is accomplished, and that's the true collaboration that's taking place now between and among the SDA, the DOE, and, importantly, the local school

districts. And that's illustrated and manifested in the sections that talk about design review and program review. It doesn't-- It often results in easy collaboration. It sometimes results in dissention and disagreement. But it will always result in a better school and a better process for our children. And that's laid out in the report.

There's lots else to talk about. But, quite frankly, it's time for me to stop talking and to literally pass the microphone to Kris. I've had the honor to work with him for the past month or so in this capacity. Our paths have crossed over the years. There's not a doubt in my mind that Kris and his team will be able to take the agency and, with the agency, be able to deliver for the children of this state the goals, and the expectations, and the hopes and dreams that we all aspire to.

It was my honor and privilege to be able to work for three years with the agency. There's a lot more to build upon, there are a lot more schools to develop, there are a lot of new systems to do.

And with that, I will turn the microphone to Kris.

MR. KOLLURI: Thank you.

Thank you so much, Scott.

SENATOR RICE: Excuse me.

I think the Chairwoman wants to bring someone up who may have to leave and say hello prior to you.

SENATOR REDD: Thank you, Senator Rice.

And thank you, gentlemen, for allowing me to interrupt briefly.

I see that our County Executive has arrived, Mr. Joseph DiVincenzo Jr., if he'll come up and give us brief remarks today.

Thank you for joining us at the Joint Committee. (applause)

MR. KOLLURI: We're anxious to give up our seat for the County Executive. (laughter)

SENATOR RICE: I just want to tell the County Executive that Kris no longer handles highway dollars, so leave him alone. (laughter)

COUNTY EXECUTIVE JOSEPH N. DIVINCENZO JR.: That's why I'm dressed the way I am, so they don't recognize me. That way, I can sneak into their pockets. (laughter)

First of all, I want to thank you for being here today at this beautiful school here at Central High School. It is truly-- They did an outstanding job. I don't think you were here. I think Scott was here at the time. We have to thank Scott. But this is an absolutely beautiful school. They did a great job.

But I'm here to talk about Essex County, but I'm here to talk about our vocational schools.

Senator Rice and many of you who sit on the board know that we've been fighting this for many, many years when it comes to what curriculum aid, and also school construction. We have four great vocational schools in Essex County. Ninety-five percent of the students are all from four towns out of Essex County: Newark, East Orange, Irvington, and Orange. Out of the 2,100, it makes up about 2,000 kids from those four towns. The way the curriculum -- school curriculum funding was being done-- And we were shortchanged, of course, until the new formula came into place -- the aid -- the State aid on that side, on the curriculum side-- Our people -- our young people -- even though they were from those four towns, which are urban towns, they were not being classified as Abbott school children, meaning that someone who goes to our vocational school--

And just on the curriculum side, the tuition that we will be reimbursed is \$6,500 -- the same person -- \$6,500 to the person here that would go to Newark Central. The same curriculum aid that goes to one of our vocational schools -- would only get \$2,500, which we were being shortchanged \$4,000 -- which the State was actually keeping.

But because of this new formula where Commissioner Davy and Governor Corzine -- of course, the vocational schools have benefited, so I'm not here to talk about that. But they identified there was a problem, the problem was corrected with the Governor, and Senators, and Assemblymen. That's fine.

But the problem does exist now under school construction. If we want to improve our facilities, we only get 40 percent reimbursement. That means the taxpayers of Essex County have to come up with the other 60 percent. All right? And I really believe that's totally unfair. Ninety-five percent of our kids are from Abbott -- live in urban towns. They should be classified an Abbott district or a vocational school. The way it is now, we are treated just like everyone else -- the other suburban towns throughout Essex County. And we're being shortchanged. Not only are our kids being shortchanged, but also the taxpayers are being shortchanged, where we have to come up with the dollars.

The other thing is-- The four facilities we have, we have -- three of the facilities are very, very old, need a lot of work, and of course we don't have the dollars to put in there when it comes to capital costs. So we need as much money as we get from the State.

We know the Federal government is broke. We know this is a bad time. We know the State is broke. We know all the cuts are going to--

But we have to be able to start some place and put it on the table. This has been an issue that I've been fighting ever since I was the president of the freeholder board in 1995. All I want the money to do is follow the student. And we have all-- Ninety-five percent of the kids are Abbott. And the money is following, now, on the curriculum side, but it's not following them on school construction.

The other thing is in reference to money that's being allotted for school construction -- the \$50 million throughout the State of New Jersey. That's just not enough. We could use \$50 million in just one of our schools -- at Newark 13 -- to make the improvements that need to be done. That has to be revisited, looked at.

I know that we're all facing budget problems the way we are, but I'm just asking you to look at this very, very closely. And hopefully you could correct that, some way, some how; if not now, maybe down the road.

I'm here just to make a comment, to put it on the table, to ask you to all look at this and, maybe, once and for all-- Because our four vocational schools are Abbott kids. They're all Abbott kids. And right now, the way it's done -- the way it is now, we're not getting the same funding as a Newark school would be getting, even though we have two out of the four schools located in Newark. Then we have, of course, Bloomfield Tech, which is all those four towns' kids, and also in West Caldwell.

So I would just ask the commissioner, my good friend here who just got appointed here, to find some money.

Because \$50 million would just not do it, Senator Rice, now. They call me the Bulldog. I know you're the Bulldog down there. You're doing a great job there. See if you could divvy up the money a little

differently, where we can get more money on this side so we could be able to help the kids and also help the taxpayers of this great county.

If you have any questions, I'm here.

SENATOR REDD: Well, we'd like to thank you for your comments today. You certainly raise an important issue of investing in our vocational schools. And in my mind, given the business community and their needs for our highly skilled and trained workforce, it is something that we definitely need to take a closer look at. And obviously the economy at this time may not allow us to move forward with additional funding, but it's something we know in the future this Governor and our Legislature needs to address. And we need to continue to dialogue about strengthening our vocational schools throughout the State of New Jersey, again, looking at the business needs of our business community and putting people to work. Once you put people to work-- It certainly addresses a multitude of other social and societal issues, namely public safety, from where I come from.

So, again, thank you very much.

I don't know if any of the other members wish to comment. But we thank you for sharing your concerns.

SENATOR RICE: Through the Chair, let me say to you, County Executive, that there has been an issue of discussion. It's something we'll have to continue to discuss. I know that this Committee, not that long ago, visited a location -- a school. We were very impressed. We had conversations about setting up tours to vocational schools throughout the state. In fact, Assemblywoman Jasey and I have said that we will come visit our vocational school, because it's been quite some time.

And so I think the more we look, the more we have discussions, the more we will be able to reasonably figure out a means and a way to address it. It may be that a vocational school that's situated in an Abbott district could participate a little bit differently than, say, maybe one out. It's no different than we have the things going now -- recognize that kids go all over the place. The parity money stays there. But it is something we will look at.

This is the Committee to pay attention to that, under Senator Redd's leadership. And hopefully, through staff -- as the weather breaks a little bit -- we could, into the new year -- we'll start to look at and visit vocational schools.

I will suggest to the Chair that perhaps we need to have a meeting just to receive testimony -- and maybe I'll do it as the full Committee.

Maybe, Co-Chair, we should do it as the full Committee, and have a meeting just inviting all the vocational school reps in to have a meeting. Okay?

ASSEMBLYWOMAN VOSS: If I may.

COUNTY EXECUTIVE DiVINCENZO: The one thing that we're asking for is just for the money to follow the student. Right now, the money is not following the student. It's very simple. Our kids are Abbott kids. They're not being treated like Abbott kids. And the same thing when it comes to school construction.

ASSEMBLYWOMAN VOSS: I share your concerns. And in my opening remarks, I said that one of my big issues was to put forth more technology and vocational education, that we need to structure our school

systems so that they address the needs of all of our kids, especially preparing them for the workforce.

And Senator Rice and I have gone around the state to look at some of the vocational schools. I'm very concerned about the fact that only one of our State colleges, universities, prepares teachers for technology and vocational education. And we need-- I would like to see state-of-the-art vocational and technology schools in every one of our 21 counties. I know -- Senator Rice and I went to Union County, and there's an unbelievable facility there. And Bergen County has several excellent facilities that we could use as prototypes for development. But I also agree with you that we have to make sure that the money follows the child. And we're doing a great disservice to many of our kids by not allowing the money that was allocated for their education to follow them to the technology and vocational schools. So this is a big passion of mine, as I've stated before. And I know Senator Rice, and I, and Senator Redd, and everybody who is involved with the Education Committee will work very, very hard to bring this to fruition.

COUNTY EXECUTIVE DiVINCENZO: Thank you.

SENATOR REDD: Senator Ruiz.

SENATOR RUIZ: Through the Chair, I just want to take this opportunity to welcome our great County Executive, who certainly demonstrates an active participation to see that we can create tangible, good construction projects. And I know that commissioner (*sic*) Kolluri can attest to his tenor and excitement when we've partnered before.

As a former board member of the Essex County Vocational School Board, I have witnessed that when curriculums are looking to change

to meet today's needs, you're limited because the infrastructure doesn't provide. And I know that our Superintendent will later make more formal remarks. But this is something that the county has been struggling with for -- since Senator Wynona Lipman was part of that build to have parity and funding on both the curriculum and construction side.

And I think what you've heard here, County Executive, is there is a sentiment on behalf of the board that we will look to see -- to ensure that our urban school core districts, including our vocational schools, get the parity that they deserve.

COUNTY EXECUTIVE DiVINCENZO: Just one other thing I just want to bring up, Senator, in reference to Newark Technical Career School, our vocational school right there on West Market Street. There's a school that's been there since 1970. It's never had its own gymnasium. Two years ago, we built a gymnasium -- not only gym, it's a multipurpose facility to be used for -- not just for athletics, for all kinds of academic stuff and programs that we have there. And it's used by the community too. It cost us \$10 million, so we were only able to get reimbursed \$4 million. The other \$6 million had to come through the taxpayers of the county. Because the money is not following the students, the students are losing out, and the taxpayers of Essex County are losing out.

I don't want to go past, but the thing is we have to move toward the future; and we have four facilities, and three of them are very old, three of them need a lot of work. And that \$50 million that is allotted is just not enough money, because we could use \$50 million just for one of our schools to make the improvements that need to be done. And we're willing to do our share too. I'm not saying that-- We've been doing that.

We have a great superintendent, we have a great staff. We've been doing a lot more with a lot less. We're cutting corners, making sure that the money, instead of going to staff, is going directly to the kids. And we have a great relationship with the Commission and with all our legislators.

SENATOR REDD: We thank you very much, County Executive, and we certainly look forward to working with you to advance the agenda for vocational schools. And I'm certain that commissioner Kolluri will also look forward to working along with you in partnership for this very reason.

COUNTY EXECUTIVE DiVINCENZO: Thank you.

SENATOR REDD: Thank you so much.

While we have our commissioner, Scott Weiner (*sic*), return to conclude with his presentation. I also want to take and acknowledge the Reverend Dr. Jethro James, President of the North Jersey Committee of Black Clergymen-- If you'll please stand and be acknowledged. (applause)

Thank you for being here -- our faith-based community.

Commissioner.

MR. KOLLURI: Thank you.

It's an honor to follow Joe DiVincenzo any day. He's, as Senator Ruiz appropriately said, a remarkable executive, who spends the money the State gives wisely and on time, which is an exception, not a norm, in this state.

SENATOR RICE: Kris, pull your mike closer to you.

MR. KOLLURI: Yes, sir.

Can you hear me okay?

SENATOR REDD: Actually, pull both mikes, if you will.

MR. KOLLURI: Yes.

SENATOR REDD: There we go.

MR. KOLLURI: All right.

SENATOR REDD: Thank you.

MR. KOLLURI: Let me, first of all, thank the Committee, Chairwoman Redd, Chairman Rice, and the members of the Committee for giving me this opportunity to come and testify before you.

I have worked with many of you in my previous capacity. And those of you who I have not had the privilege of working with, I look forward to doing that during my tenure here at the SDA.

Let me take a minute, if you would, to recognize, just as you did and others have done, Scott's service to the State and specifically to the SDA.

You are right, Chairman Rice, he does leave a legacy which is both impressive and important. It is rare that you find an official who is willing to step into what was the vortex of a tornado to clean up the place. And he did. And as he rightfully acknowledged, he didn't do it alone. The people who sit to my left, and all the senior staff, and the 298 people who currently work at the SDA have spent countless hours of countless days helping Scott achieve your mandate and the Governor's objective of making sure the dollars that you trust this agency with are spent wisely, and on time, and as transparently as possible. That is the legacy that I inherit, and I'm grateful for that. And I look forward to building on Scott's accomplishments in my tenure.

Coming down here-- I don't have prepared remarks, so just bear with me for a minute as I-- Coming down here, as I walked into the school,

I couldn't help but think what our role as the employees of SDA is. We are builders at heart. I think of ourselves as the body, but the soul is the children -- the children that you see to my right. And it is with both these entities -- is when harmony is created. And I think that is what we intend to do, and intend to do as well as we possibly know how, every single day.

As I mentioned before, I was honored to have the opportunity to work with you as Commissioner of DOT. I put my heart and soul into that place when I was there, and I look forward to doing the same.

It is-- We have a unique opportunity. You have trusted this agency with almost \$3.9 billion -- \$2.9 billion for SDA districts, and a billion dollars for regular operating districts. And I think that shows the confidence you've had in Scott and the people who work with us. And we will do everything in our power not to disappoint you.

We have a target of 52 schools, tens of regular operating districts; and obviously, the comments of County Executive DiVincenzo are important and instructive in developing a more cogent vo-tech plan.

This is an opportunity for us not just to build schools which are important in themselves, for all the reasons that you have just talked about, but at this point and at this juncture in our State's economy, it also serves as an economic stimulus. When we do these projects, we will create 46,000 jobs over the next five years, or approximately 9,000 jobs a year.

Let me put that in perspective. The State of New Jersey has lost 3,900 construction jobs this year. Between what we're about to do at the Department of Transportation -- which is spend \$2.8 billion in real money next year -- and hopefully \$1.2 billion at the SDA -- we will be able to create and, hopefully, outmatch all the jobs that we could lose if we

weren't able to do what we are going to do. And you get the credit for it, and, most importantly, not just for the purpose of accolades -- but you should feel comfort in the fact that you're going to provide working families a working wage so they can put food on the table; and, at the same time, make sure our tax rolls stabilize the way we need them to be stabilized.

The Governor obviously has focused on the economic stimulus as his highest priority going into this year, into 2009. And our focus is clearly going to revolve around that. So we're going to try to accelerate the projects.

But let me sort of caveat that by saying -- or amplify that point by saying: One of our priorities is to make sure that we evolve our acceleration projects to do things like design-build. It is not a unique concept. At New Jersey Transit we do it, and it's statutorily authorized, and we built the Hudson-Bergen Light Rail on a design-build basis.

Having said that, I want to assure this Committee that before the board is provided a copy and it votes on it, we will consult with you, and members of the community, and members of the industry to make sure we have an appropriate design-build program in place that is done on a piloted basis. So our hope is to do six to seven schools this year. If we didn't do a design-build, I assure you we wouldn't be able to do those six to seven schools that we're targeting next year.

So this isn't a luxury. It is a question of necessity. Every one of you have schools in your district that you wish could be expedited. We're going to try to do that, but we need the tools to do it.

So my commitment to you is, we will come to you with a design-build program, which is controlled, which is cost-effective, which will

accelerate the schedule, and will properly allocate the risk -- which is what I think you should expect of us. And that's what we hope to deliver.

In addition to that, obviously I want to carry forward Scott's and the board's absolutely remarkable work on transparency and cost controls. That is not, again, an option. We need to build schools which are safe, efficient, and cost-effective. That doesn't mean we sacrifice quality. Value engineering is not a new concept. We've done that at the Department of Transportation on projects. And I think that is what Scott and his colleagues have tried to do here, and we'll do it.

Another issue that I'm going to focus on, Senator Rice-- Chairman Rice, I know this is an issue for you -- you and I worked with it at the Department of Transportation -- is the idea of increasing access to small business owners and their participation in the \$3.9 billion worth of projects. But I caution you that we currently operate under the GR consent decree, which you are very familiar with. My goal, just as yours is, is to try and work with you and the community to make sure that we have the most robust SENATOR BUCCO: (indiscernible) program without violating the consent decree. And I know you have ideas, Chairman Rice, and we look forward to working with you on that.

Cost recovery is something that I am going to continue to focus on, just like Scott focused on. Under his leadership, we got \$5.5 million in cost recovery. And I know we have a pending suit for \$15 million against a company that worked in Neptune, I believe. My memory doesn't serve me well on that particular project. But cost recovery is an important component of our fiduciary obligation. It isn't just about spending money, it's about making sure we spend the money wisely and, where there are

mistakes, it's to go recover the cost for the taxpayers. I think that's another important initiative we intend to pursue.

The last two points I would make are-- I know when Scott and his colleagues came to the Committee in July of 2008 to ask for this extra money, standardization was an important issue that you talked about. I know there are complexities attached to standardization, but I think we have come to a point where -- especially as it deals with the early childhood centers -- we can achieve a level, a critical mass of standardization, that I think the Committee would endorse and would be proud of. So we'll be back to you on a program that deals with that. In addition to that, on regular schools, we expect to standardize components of schools, which then become a way to save cost and time.

The last issue I will talk about is, I think if you've heard the Governor talk, and certainly President-elect Obama, you've heard them very clearly and loudly say we need a Federal stimulus bill that involves infrastructure investment, both in roads and highways, and schools. One of the ways we can solve the problem that the County Executive was talking about is to look to the Federal government. By any reasonable metric, we believe, based on the initial conversations, we would have a stimulus program from \$300 billion to \$500 billion in Congress. So we need to figure out a way to get our hands on some of the money for schools. And I know the Governor is committed to doing that. In fact, I know that is a message he took with him to Philadelphia when he met with the President-elect. And I think that is an important marker and an important policy objective that we need to follow through. And I know the Governor is going to continue exercising leadership in that.

Let me pause there, and let me perhaps take off where Superintendent Janey left off. This is my third day on the job. I respectfully request if there are specific questions that I can defer to my colleagues, not because I don't want to answer them, but I don't want to mislead you.

Thank you very much.

SENATOR REDD: Certainly. Thank you, Mr. Kolluri.

Are there any questions from the members of the Committee?

SENATOR RICE: Yes.

SENATOR REDD: Senator Rice.

SENATOR RICE: Yes. Why don't we pick up on the end of your conversation about my interest, and then we'll get back to the front end of the conversation about where we are with the number of schools and status.

Let me just say to you that the Governor has spoken, the Legislature has responded, to the hue and cry of the economics of our times, with the stimulus package. Prior to Wall Street falling, we have had stimulus packages under school construction. The reality, as you mentioned, the GR Corporation-- For the people who don't know, GR was the small business who went to court and said that affirmative action for small, women, and minority set-asides were wrong. GR was never harmed by affirmative action, because they never fit the category. They grew too fast. They're part of a national movement. And when the Attorney General agreed to sign a consent order, he was wrong. He should have gone in to challenge their standard, even bring suit. They were not, in fact, effective.

In the interim, New Jersey has to prove to the world that the unions, and the contractors, and the other business people that receive taxpayers' dollars are discriminating. But it's obvious. Any highway you drive down -- Kris, you know -- you're not going to see African-Americans and Latinos in any substantial numbers. They sit in the union halls if they have a book. If you look at the contractors, you're not going to see a lot of professional service contractors join together.

So GR is not our problem. Our problem in the State has been the governors who represent us and the Legislature. I want to say for the record at this hearing: I am the Chairman of the New Jersey Legislative Black Caucus, and the Chairwoman of the Latino Legislative Caucus and our leadership met with the Governor to address these situations. We cannot continue to argue the case for infrastructure and capital building, and to create a future for our young people and for our communities without our community residents participating at all levels.

Discriminatory practices in this state have been around far too long, and we rise up against it. There are always big-money folks fighting us in the courts. And the government buys into it. And so one of the things that I need you to--

First of all, what I expect from you -- and I want to make this very clear to Scott and everybody else. We're going to have to do a better job of monitoring participation. It's not just GR that's a problem to us. It's project labor agreements. The unions come in -- the trade unions. And if we're elected officials, we fight hard to get money. The \$3.9 billion we fought hard to get, and our colleagues supported that. But as soon as you go to a job site like Speedway, and you see frames going up, and holes in

the ground, and contractors out there, you only see one or two African-Americans working that job. That's problematic, because what it does is allow the young people coming to these new schools to continue to feel there is no hope for opportunities. It will allow the unemployed families who are caught up in these foreclosures seeking work not to get work.

And so this is real stuff. And we can't lay it on the gates of GR. We have to have a governor who is committed to say it's going to happen. We have to have an executive director and staff to say we're going to monitor.

And so my question is whether or not-- I guess we need to talk about: What is the plan? How do you monitor now? Because the documents I have that I asked SDA to send to me didn't please me at all, since I used to do monitoring. I understand how it's supposed to work. But I need to know just what you're doing, how you're doing it. And once you tell me that, if it's the same stuff I have in writing, I can tell you where your problem is.

Why don't we answer that question?

MR. KOLLURI: Thank you, Mr. Chairman.

Let me answer the broader issue raised about our general commitment to minority hiring and minority subcontracting. I think you would agree with me that there hasn't been another governor who is more focused on this issue than Governor Corzine. I don't believe in saying this because it sounds good. But you and I have worked together at the Department of Transportation from the first day I got there until November 30, 2008. We, in fact, spoke the day before Thanksgiving about this issue again. And you have metrics in front of you that measure what minority

participation looked like in 2005 and what it looks like in 2008. That is exactly how the Governor expects us to conduct ourselves, and that is exactly how you should expect us to conduct ourselves.

So on the specific question, my answer to you is: We will be back to you with the exact same kind of metrics that you've been satisfied with, that we provided you at the Department of Transportation, at SDA.

On the issue of how do we monitor minority workforce and participation in our job sites: We have a workforce compliance officer who does just that. My suggestion and my request to you, respectfully, is -- my office has called your office yesterday; in fact, you and I spoke about it yesterday -- is for you, me, and Mr. Harris, and Mr. Barber -- who I see here, who I met at New Jersey Transit, from the NAACP -- to sit down and go over the metrics that you think are appropriate and you expect, and for me to come back to you with a rational, cogent, demonstrable plan that you can measure us against. I think that's how you did it with me at the New Jersey Department of Transportation. That's how I think we should approach it at SDA.

SENATOR RICE: Through the Chair, I think that's important, director, that we come up with new formats. Because if you look at the documents I have, you have a lot of percentages. But if you look at women and minorities-- And by the way, when I speak about minorities, I'm speaking for all classes of minorities. But I'm very particular about the largest population of minorities, which happens to be black folks, African-Americans and Latinos. That's where you have a lot of exclusions. When we say *minorities* we fight and struggle. And even our history-- All of a

sudden we get pushed out because every minority is included many times, other than those who have actually had to struggle to get us this far.

But when you look at it-- For example, if you look at professional service contracts -- I look at a document and it tells me, at this particular period, there was one African-American, and it just happened to be a female, of 130,000. And I'm looking at really billions of dollars throughout the state just going to these prime contractors, going to these other folks. That's the kinds of stuff.

When you look at it, you see percentages. But I don't have the ability to call Kris Kolluri and say, "Kris, I understand you've been working on the school construction site. How many days have you worked? Because the list says you worked three days." "That's not accurate." And so there has to be a whole new system of accountability and identifying. When I read a document and it says to me that the school construction staff that you have randomly go to -- on a regular basis, randomly go to schools to monitor participation, it can't be random.

Let me tell you how it has to work. In this city and cities like it, someone has to go every day unannounced. That has to be their sole job, every day, unannounced. (applause) I have the experience with the public housing here, I have experience with school construction here. The random stuff does not work. If they know you are coming, they're going to put someone there, and then they'll tell them to leave later. They get two hours. There has to be a person-- And that's something we need to look at for the cities who have affirmative action officers. We need, even if we have to legislate, to partner with them so that the State can come in randomly, as you do. But the City of Newark, even if they have to hire somebody -- I use

Newark as an example -- an additional body, not to take away from all the other programs they have in affirmative action -- should have someone who is going in and out of that job site every day so they know you're going to be there looking at every trade, getting what you call the *employment work list*, that weekly work report, to identify who worked how many hours. Because that's what folks don't want to happen.

Also, I'm going to ask the staff to give to you, while you are here, something you are familiar with -- but I want to make sure on the public record I give it to you -- because I really believe that GR is not the problem. A contract is a quid pro quo. And there are basically five elements to a contract, as you are aware. And one of those expectations -- and it seems to me, under quid pro quo, we should be telling prime contractors the expectation that they're going to hire minorities. We want some language in there -- we can hold you accountable for it if you agree. And we'll work with you.

There should be some contract language that HUD uses to build houses under the Federal government, called Section 3, which we'll give you a copy of to take a look at. And if it needs legislation -- I think we could do it by regs right away -- but if you need legislation, we're going to put it in, and we'll drive it. Because Section 3 for the public says that -- and this is related to housing, but it can relate to anything -- how does Section 3 promote self-sufficiency? Well, it talks about getting everybody involved, including the faith-based. But what does it do? It says the persons under Section 3 -- the priority goes to people in Section 3 and the businesses. That's where the priority is. But the language is "where feasible." So if my local hardware store can provide you with 500 pieces of two-by-fours at a

reasonable price, why not get it from a local hardware store? Now, if they can't meet that, then naturally you look some place else.

Local residents should get job opportunities. Everybody talks about black folks in the cities of Newark, and Camden, and urban Abbott districts, they've been to jail, this and that, they haven't finished school, they don't read and write, they can't pass the apprenticeship test. My attitude is very simple: Fine, they can't pass it. Why don't we do preapprentice while we teach them how to read, so they can pass your test -- give them a job as a laborer? Because on all these contracts they have people cleaning up their sites. They shouldn't leave it the way they leave these sites in urban cities. It's things like that. It doesn't take a rocket scientist to pick up a two-by-four and put it in the garbage.

And so even the trades people who we support, who march against us politically every time we run in an election because we raise the affirmative action piece, need to be taken to task; or we need to get rid of project labor agreements. Now, I'm not looking to do that, but I'm looking for us to step up to the plate.

We can talk about the Obama election. I think that's very wonderful. But the reality is that how can anyone, at any level, representing any ethnic group be a role model if there are no opportunities down below? So you have a black President; that's wonderful. Our history says that we believe in diversity, that people will come together for the right kinds of things. But yet we're afraid to take on the big issues. We gave the unions everything. We may have to bring them back and say, "We didn't give it to you right."

When we talk to contractors, we have to tell them, "Look, you may be a prime, but there's no contract unless you get someone -- and you can check them out to make sure they qualify -- that you're going to partner with under professional service." If we can get two contractors to build this school -- and one happened to be an African-American minority firm who grew up with me, my generation -- went to Howard University. If they can partner and give you this, imagine what we can do if we insist on partnerships. Because the bottom line is that, at the end, we can tell them we don't have to build anything.

So that's where I want to go with that. So on that issue--

I'm going to let my other members ask some questions. I'll come back to you.

But is there-- Your people monitoring these sites all work for you, right? There's no agency?

MR. KOLLURI: That's right. They all work for us, Mr. Chairman.

SENATOR RICE: Okay. And when you say randomly visit the site, what do you call random?

GERALD T. MURPHY: It's not random. In fact, Craig Graves (phonetic spelling), right behind me, is the inspector for the Newark area. What he does is, he normally goes to a site twice a week. He has a list of sites across -- in a certain region of the state that he is responsible for hitting twice a week. He goes out and does the head count, checks if minorities are on the job, also checks the certified payrolls that are on record there. He goes through a list. And we also have him double up, also looking at contractors there, as well, to establish how many SBEs,

obviously. We've had this discussion. But he goes through that, and then looks at a report that we get at the end of the month, which is a compilation of all the participation of all the trades on a job site. And he verifies that against what he's seen out there -- his records of what he's notated and seen out there, along with what we see on the certified payrolls. But nobody knows that he's coming or what days. He staggers the days that he goes to the different projects. So it's not that they know he's coming or what time he's coming, and it's different days of the week.

SENATOR RICE: Let me end on this, and I'll come back.

The Speedway-- I have to go past Speedway School every day. The Councilman of the West Ward, who happens to have the same name I have, has to go past it every day. My office is up the street. People are coming in and saying they can't get work. Then other civil rights organizations come in and say, "Where are the minorities?"

I ride past. Over the Summer I got an attitude when I walked in. I was dressed down. There was one African-American woman with a hardhat coming out, and she was angry. She indicated she worked a couple days a week, or maybe a couple of hours. I said, "Where are the other blacks?" She said, "There aren't any. One guy comes once in a while." But in the meanwhile, knowing a little bit about construction-- When we broke ground, I was in the tent. When the hole went in the ground, I paid attention. I didn't see minorities or women. So I said, "Well, I know construction. Maybe they're the next team." Then the foundation came in: nobody. Then the framers came in. Now we've got steel going the whole block, and you may see one or two in there. What was the response when you call at 1153 for a meeting with them? I'll tell you what the response

was from Ray Pastino (phonetic spelling) and his group. The response was to get a candidate to run against somebody that we were supporting for affirmative action -- about affirmative action.

And that's okay, but my point is that's still not addressing the problem of participation at the site. You can't get angry with black and Latino legislators, or the Governor, or anyone else who supports our cause for fairness, and get away from this disparity stuff. You can't get angry with us because we're raising the right questions. If I'm giving you \$3.9 billion, don't tell me we're not going to have local participation in some kind of way, in substantial numbers, where feasible. That's something that I believe is really going to be worked out. And that means a whole lot of meetings of the minds. And at some point in time, we're going to call in the labor leadership and talk to them. And they can come with that gorilla talk if they want to, but it's not going to work. Because we have got to make sure we build quality schools in a timely fashion, that the economics of the construction also lends itself to some of the people who live in those areas, who do pay taxes. I'm tired of people saying that we live in an urban area, and give the impression that we don't pay taxes. That's just not true.

So with that, Madam Chairwoman, I wanted to at least put that -- because it's on my heart -- and you're going to hear more about it -- the other questions we're going to raise.

And we'll be working with you to make that happen.

MR. MURPHY: Thank you.

MR. KOLLURI: Thank you, Mr. Chairman.

SENATOR RICE: Because I know you're committed to it, and I'd like to think the Governor is too. But we're testing him real soon.

MR. KOLLURI: He is committed. And I look forward to working with you, sir.

Thank you.

SENATOR REDD: Thank you, Senator Rice.

Assemblyman Countinho.

ASSEMBLYMAN COUNTINHO: Yes, just to change it up a little bit. In the last month or so, while, obviously, SDA was going -- transition -- I didn't necessarily call as often. But there is something that's come up. I'd like for somebody to just explain to me exactly what's going on with the processes. I'm fully in agreement with trying to expedite projects, of course, for economic development purposes. And I also will be looking at projects to see where we can save money.

Now, it's been brought to my attention, however, that two of the projects, for example, here in Newark -- we are looking at, let's say, cutting some things out, possibly, for economic savings, which may cause a redesign of that project, which will actually push it back. I want to know if, in fact, that is accurate and what -- just walk us through -- exactly what are we doing, let's say, with-- Obviously, we reauthorized this \$3.9 billion. There are a lot of old plans which we've now dusted off. Could you just walk us through what we are doing to try to save money? And my concern is that we don't push projects back, because obviously, in these communities, they're very desperately needed.

MR. KOLLURI: Let me just frame the issue, and then perhaps Jerry Murphy could amplify it.

As you know, we have 27 schools which are from -- which are previous--

MR. MURPHY: Old money.

MR. KOLLURI: --old money. And then there are 26 new schools under the new authorized legislation. There are many of those 27 projects that have designs that are obsolete or no longer meet with the codes of DCA, and DOE, and such. Those are the kinds of projects that we're working to redesign and expedite. But that's exactly where the design-build program becomes a useful mechanism.

If we let the programs and the designs languish, it will, in fact, push those projects out several months or, perhaps, a couple of years. Our objective is to make sure we implement the design-build program -- in a very small pilot basis -- to six or seven schools which do have plans which need to be updated and, in some cases, have to be done over. But by going to a design-build mechanism, you truncate the time it takes under a traditional design-bid-build process. So that is how we, as a policy matter, intend to address the issue of delays.

Now, Assemblyman, you and I have not worked a lot together, but I will tell you, I am not going to sit here and mislead you into thinking every single project is going to be done the way we said it was going to be done, on the day it's going to be done. I'm going to be realistic, I'm going to be coming back to you on a regular basis to give you updates and explain where we are in the process. If there is a delay, I owe you an explanation, and that's what you'll get.

ASSEMBLYMAN COUTINHO: Thank you.

SENATOR REDD: Thank you, Assemblyman.

Assemblywoman Voss.

ASSEMBLYWOMAN VOSS: Just going along with the theme that we're speaking about, in the design of the schools that we're building, we've been talking about making sure that our young people have jobs, and that they have the skills to get the jobs. I know that a contractor is not going to hire someone and train them on the job if they don't have the skills to begin with. So this is very important.

So one of my concerns is: In the schools that I have taught, there were print shops, there were automobile shops, there were metal shops, there were carpentry shops. And I'm wondering, in the designs of the schools that you are in the process of developing or will develop in the future, are these needs taken into consideration? Because a school that's not going to address the learning styles and needs of all of our kids is not really doing their job. So are we putting shops and these kinds of instructional areas into the new schools? Because I think this is very important.

MR. MURPHY: And I don't want to pass the buck, but as to what goes into the school, educationally, for educational delivery, that's decided by DOE, and they make that assessment before they pass off the design over to us. So we have to meet certain criteria. And I know DOE is here and Commissioner Davy is here, and can speak to that. So the schools are designed mostly with whatever the educational delivery system is. Are there vocational shops in the schools? No, not in the ones we're building. There's a separate pot of money, as the County Executive indicated -- about the \$50 million, which goes toward vocational schools, where most of those shops are.

ASSEMBLYWOMAN VOSS: I understand that, but every county does not have the state-of-the-art vocational and technical schools. And even in terms of electives for our kids, shouldn't they have opportunities to develop other areas other than just the academics? And here we have this wonderful, wonderful facility, but I don't think there are any vocational instruction facilities within this. I did not go on the tour, so I can't speak-- But from what I understand, that's the case.

MR. KOLLURI: Assemblywoman, I think it's a very fair point. And if it's okay with you, I know Commissioner Davy is going to testify next. It would be a more appropriate question for her, because we are truly the builders. And we work in collaboration with the DOE. They tell us what the specs are, and we go do them.

ASSEMBLYWOMAN VOSS: Thank you.

SENATOR REDD: Any further questions from the Committee members?

Senator Ruiz.

SENATOR RUIZ: Commissioner, if I can, while there seems to be a trend to revisit the way we're looking to move projects along, I will say that we have to be sure that we're inclusive of the superintendent's vision. I don't know how certain projects have gone on, on the hopper. But when you drive around this city, and you see that there are certain projects that are listed, and you look at other schools that are busting at the seams with children having classes in the playgrounds -- that the conversation is inclusive of the school district's mission. Because they're the hands-on individuals who know what is needed. So as we move forward and start revisiting the outline and the dynamics of what projects are going to move

forward in a more rapid pace, that our Board of Education is included in that process.

MR. KOLLURI: Thank you, Senator. And, again, I know it's an issue that's very important to you. Again, I would ask Commissioner Davy to testify to that effect.

MR. MURPHY: If I could add to that, part of the process -- the Assemblyman asked to it as well -- is about the reviewing. The process is, we have met with all the Abbott districts, with the superintendents, and their teams to go over the projects, and where the design was, and what was in the design, and reviewing the design. And as Kris alluded to earlier, about value engineering, it's not that we're cutting things out all the time, we're trying to reduce the price. Obviously, we're looking for any cost savings. We're also learning from best practices from other buildings about what the problems were. In some cases, after meeting with the district and reviewing the design, we end up either putting more into the building, because we want to make the envelope -- build the envelope tight, which is where we're finding a lot of our problems with water leakage into the building. So we're trying to prevent that. And I know Gina Bleck is here, my colleague, our Vice President for that division. And that's part of the review that she, along with Andrew Yosha, and DOE, and the District are collaborating on together: reviewing these, to move these projects forward.

ASSEMBLYMAN COUTINHO: Madam Chair.

SENATOR REDD: Assemblyman.

ASSEMBLYMAN COUTINHO: Just as a follow-up, because I understand what we're trying to do. But the one thing I am concerned about is, when we're downsizing, we need to make sure, if we're going to--

We have to be careful if we're going to eliminate a portion of a project which has had community input. Because we raised a lot of expectations. For example, there was a lot of community participation in putting these plans together. And if we say-- It's one thing to, let's say, downsize an overall building 10 to 15 percent. But if we told the community through the process that there was going to be certain things in a school, we can't go out and eliminate that, because -- especially when it's been deferred 10 years or 15 years, and then all of a sudden the school comes, and that which they were a part of is not there. I think that's disingenuous. That's a problem on our part. So that was the thing that raised the most concern to me.

I have an extremely active community planning organization called the Ironbound Community Corporation, as you know. And they were engaged in, actually, meetings for six new schools in a neighborhood which, in the first wave, didn't get any. That's how I got involved in this issue. So they came to me right away saying, "They're going to take an auditorium out," or something like that. I said, "Well, let's slow down, and we'll take a look at it." But I think it's very important-- Anything that was committed to -- any feature -- through the community input process, we need to make sure it gets maintained. Whatever we can do to reduce the cost of construction for that -- as long as there are no safety violations -- I wouldn't have a problem with. But I think we do have to respect whatever was promised, let's say, a community.

MR. KOLLURI: Let me respond by saying, Assemblyman, it is our intent to follow through on the commitments that we made. In those instances where we have to make the change, you have my assurance that

we will do it in conjunction with the community. My job is not to just deliver good news; it is, at times, to deliver unpleasant news. And if we don't do it -- and if we don't do this in the most thorough and honest way, then I'm not doing my job. So I have an obligation to come to you and the community groups to explain, in those instances -- and I don't know of any. I'm just suggesting it to you. So I think it's a fair ask, and I think we should live by that.

ASSEMBLYMAN COUTINHO: Great. Thank you.

SENATOR RUIZ: Commissioner, I'm happy that you've responded in that way. Because there has been historical instances -- and Senator Rice, I'm sure, would attest to this -- that decisions are made in a vacuum, and then we are to deal with the afterthought. And it's become a battle, an upward battle, and one that we've won, I would say -- glad to say -- in many instances. But that moving forward, that everyone is included in part of that process. Because I can't tell you enough-- It seems that you are at a crossroad, and the light is just about to turn green, and then you get slipped a note that says, "Well, the school is built, but you're not going to have money for this." And it's not only disingenuous, but it's not fair to the city, and it's not fair to our children.

SENATOR REDD: Thank you, Senator Ruiz.

Senator Rice for follow-up questions.

SENATOR RICE: Yes.

Could you, while you're here -- and I suspect that the Commissioner of Education is here. And she may have to respond to some of this too. But could you just bring us up to date? In September, there were new regs approved by the Board -- the SDA Board. Where are we with

the regs? Could you explain to the public and to this Committee what these regs mean in terms of the changes?

MR. KOLLURI: Obviously, Mr. Chairman, I wasn't there. Forgive me for turning to Scott.

Do you know--

And let me, Mr. Chairman, with your indulgence-- I'm happy to -- if you give me a few minutes to huddle with my colleagues.

SENATOR RICE: Sure, no problem. I like huddles. That's how the Giants win. (laughter)

MR. WEINER: The reference may be to proposed regulations that would provide for the SDA delegating projects to local school districts. Those regulations were developed by the staff in consultation with the superintendents and building facility staffs of the Abbott districts. The legislation that was passed previously authorized -- in fact, requires -- us to consider that delegation.

Those regulations were presented to the SDA Board in August of this year. They were approved by the Board subject to their integration with a similarly related set of regulations being developed by the Department of Education. And there has been some recent fine-tuning -- proposed fine-tuning of the regulations of the SDA, dealing with the issue of partial delegation, specifically the delegation of designing contracts.

The last I heard, which was in mid-November, those regulations should be being finalized and should be published right after the first of the year. So we should have a position -- or the agency should be in a position by mid-year to begin the formal process of delegating to districts.

Now, the delegation anticipated by the legislation anticipates a two-stage review. The first stage would be by the Department of Education, and Commissioner Davy may want to talk about this in greater detail. But essentially, it's a determination of whether or not a district is qualified to enter into a delegation agreement with the SDA.

The second level of review would be conducted by the SDA, which is whether or not the capacity exists within the district to assume responsibility for some or all of the projects, or some or all of a particular project -- design, design and construction of one or more projects. So those are the regulations that will be out for publication and for public comment within the next couple of months.

Most importantly, the regulations also provide, consistent with the statutory obligation, that in the event that the SDA determines a particular district does not have the capacity to accept delegation of some or all of the project, it is the responsibility of the SDA to work with that district to help build that capacity within the district so that, in the earliest possible time, local districts could take on that responsibility.

MR. KOLLURI: We'll also, Mr. Chairman, provide you a written update on all of these -- where we are on regulation, to amplify what Scott just said.

SENATOR RICE: Okay. I know under the rules that if, in fact, a district has capacity, it's going to allow them to do certain things. I think the new executive director needs to be very cognizant of the fact that the conversation we had about minority participation -- that should stay on the forefront of your head. And as a minority, I don't know how you can't see that anyway. So when you look in the mirror, think about Ron Rice.

But the point is: We need to make sure there's language that makes sure some process makes certain that if a district has the capacity of doing things -- that they don't go to the old-boy network. One thing I learned in this county and throughout the State, there are a lot of relationships that create denial for those who want to be a little bit more objective and participate. And I will leave that at that. And so that's going to become important.

Also, in the areas of the capital maintenance projects-- Is the demolition stuff going to stay with you, or is that going to be something that you're going to look at capacity as well?

MR. WEINER: It becomes part and parcel of a project, so that if demolition is required as part of a delegated project, it might be that that responsibility is also delegated to a district.

SENATOR RICE: Okay. Can you explain the professional service stuff to us and how that's going to work? I believe there was some conversation about the architect or somebody--

MR. WEINER: Yes.

SENATOR RICE: I'm not so sure I'm comfortable with that. Can you explain that to us?

MR. WEINER: Sure. and let me preface-- The proposal, as I last understood it, which was about three weeks ago -- so I don't know if there's been any evolution since then. Let me also make the point that these are draft regulations that we put out for public comment. They're not done yet, and we anticipate there will be lots of comments on all sides of the argument.

What Chairman Rice is referring to deals with a question of: Where does delegation of design responsibility-- What does that mean, and who holds the ultimate responsibility? And the reality-- And I'm going to express a point of view that is fundamentally mine, that I think is shared by many, but not necessarily everybody -- even members of my former staff.

At the heart of this issue is the fact that the State of New Jersey has the delivery risk on a project. Under the Constitution, right now, if a project is delayed -- regardless of whose fault it is-- If there is professional liability (indiscernible) fault, you can go after the professional. And Kris talked a little bit about our cost-recovery activities. But at the end of the day, if a project is delayed, or a design has to be redone through no act of negligence, the State pays the bill. So even when there's delegation, we can't turn to an SDA district and say, "If you don't meet these metrics, we're going to recover the money from you." The responsibility lies with the State.

One of the legacies of the SCC was that there was a wholesale disregard for communities and for school districts in the design of projects -- not in every project, but in many projects. And the problems that Assemblyman Coutinho referred to and Senator Ruiz referred to unfortunately were the order of the day. There were some cases where school districts and communities were not aware that elements were taken out of their design or elements were taken out of the building until after the building was being put up. It was simply unacceptable. But the reality is -- this is all part of the context -- that the State holds responsibility.

Since we've been responsible for that delegation, we have had a standard that the district has to be a part of the design process and has to

have an equal seat at the table. And prior to delegation, or in the absence of delegation, it is the SDA who holds the contract with the architect, and who is responsible for paying the bills, and frankly has the leverage of the contract.

School districts -- every SDA district who ever had a project design before felt like they were second class. They didn't hold a contract. They were, often, not even invited to the meetings. And understandably, superintendents and school district communities said, "In the future, we want to hold those contracts." It is the position, at least as of three weeks ago, in the proposed regulation that in the event there's delegation of design responsibility, it will be a three-party contract: a contract by and among the architect, the SDA, and the school district. And the responsibilities between the SDA and the school district will be clearly laid out. It will be the responsibility and, frankly, the obligation of the school district to run that process, to be the chair at the table. The SDA will be at the table as the keeper of the purse strings, so that if they see the architect -- if you'll excuse the expression -- is just going awry and is following a path that nobody wants to follow, it is the SDA who has the ultimate financial responsibility and can say, "If you don't conform to the design manual, if you don't deliver this design on time, we're going to terminate the contract." Because the State pays the bill, it's my belief and many other people's belief that they have to hold that.

Now, that's the way the proposal will be presented. I suspect there will be lots of comment from design professionals. I suspect there will be lots of comments from school districts and members of the community. I suspect there will be lots of comments from others who will support it.

And I can say with all the professional (indiscernible) I can, it will now be up to Kris and the Board to determine what should happen next. (laughter)

SENATOR RICE: Well, the experience that I've observed throughout the State in these construction projects -- not just school construction projects, period -- besides the vindictiveness of some political folks, has been that the architects and engineers argue.

Now, is there a reason for the architect versus the engineer? Because if you listen to an engineer, you would hear them say that architects do a bunch of pictures, and never build anything, and don't understand. And then you listen to the architect, and they say, "Well, we're the ones who drew it. We know exactly what hinge plate should go where, and stuff of that magnitude." But in the meantime, the project is held down because the noninvolved folks -- people who don't understand construction who are accountable, whether it's a council, a mayor, or housing authority, or a board of directors, or the SDA Board -- they don't know. They wind up getting a bunch of lawyers and spend a lot of money just to come to the conclusion that the contract or, in fact, was right, and the engineers and architects were wrong.

I mean, how do we-- Is that the reason for bringing this down to the architect?

MR. WEINER: No. You're raising another important point. And I'd like to think that, over the course of the past couple of years, particularly under the leadership of Gina Bleck, we have acquired the expertise inside the agency, and we it came to build on that expertise, where we can call those balls and strikes, as an agency, where there are disputes.

And, frankly, this building is an illustration where those kinds of disputes existed.

Our colleagues from Neptune had an experience over the problem of mold in the building, where everybody was blaming everybody else. And we, as an agency, were able to successfully come in and say, "On the one hand, if you want to, you can help us rebuild this building correctly. On the other hand, we're going to figure out, through a very deliberative process, who is responsible." And I think that succeeded.

The issue, Senator Rice, is, if we were to say to Newark -- just because we're in Newark, I'll say *Newark*, but it's true for any district -- that in the design of new school XYZ the district is going to be delegated the responsibility to manage that process for design through construction -- and the district would want to do that -- the precise question is: Who holds the contract with the architect? Because what we've learned is, where a lot of problems arise is in the design of the project. Now, that's not saying the architect is being negligent. It's just saying if one is not careful in the design and makes sure it applies to the expectations of the State and the expectations of the community, you end up redoing it. We end up redoing it, and it ends up costing more money.

It is the position of some of us that that contract should continue to be held, at least in part in terms of the financial obligation, by the State, since the State pays the bill. On the other hand, there should be clear contract rights and obligations for the community -- in my hypothetical, in Newark -- to run the process -- run the design process and hold everybody accountable, including the SDA, that that design is done on a timely basis.

SENATOR RICE: And finally, the process is kind of divvied up, for lack of a better word, between your office -- now your office, Kris -- your Authority -- and the Commissioner of Education. I've always had some problems with that, but I'm not the Governor.

The bottom line is: What role does the Commissioner of Education play in this "delegation," these rules? Can you answer that, or should that question be raised to her?

MR. WEINER: I'd respectfully defer to Commissioner Davy on that. But let me-- And it's a great segue to bring the Commissioner up. But let me say that another one of the accomplishments we like to point to is the fact that now the SDA and the DOE do work in collaboration. We understand our respective roles. More importantly, we understand the perspective and expertise that each agency and its staff can offer each other in the fulfillment of our responsibilities.

And with that, I'd be happy to turn the microphone over to my colleague, Commissioner Davy.

SENATOR REDD: Thank you, Senator Rice.

Thank you, gentlemen, for your presentation this afternoon.

And at this time, we'd like to call up Commissioner Davy from the Department of Education to make her presentation before the board.

SENATOR RICE: Excuse me.

Before you leave, director, let me just say this for the record. And we had this conversation. On behalf of the Paterson districts, and there may be others, we talk about austerity, we talk about saving dollars, and we have to do that. Paterson has a situation where they can actually put up two schools versus one with the same dollars, and save money. That

needs to be addressed. What I don't want -- and I do want the Committee to hopefully support it -- I don't want to open the floodgates where everybody is running into the process, creating massive chaos and confusion by just changing things. I really need there to be a system in place that can be looked at subjectively -- and objectively -- but subjectively at the individual process to make certain that it makes sense and it fits into the community. But that's a piece that I'm raising now on behalf of the Paterson community. I'm also raising it on behalf of my colleague Assemblywoman Elise Evans, and others up there, and the Superintendent, who have written us about that.

But just to work with it is one thing. You need to put a process in place -- if we have to legislate it, we can do it -- where you can say, "Yes, let me take a look at this. It does make more sense. We will save money." Okay?

MR. KOLLURI: Mr. Chairman, just as a point of information, we -- I didn't, but my colleagues met with the Superintendent of Schools from Paterson yesterday to talk about just this very issue. We promised them an answer shortly. Again, this is not an issue that we can decide in a vacuum. We want to make sure that we take under advisement the very caution that you just gave us, which is, don't open the Pandora's box and let the entire structure we've put in place frankly go to waste.

So we will continue to work with them, and we'll report back to you with the progress.

SENATOR RICE: Thank you.

MR. KOLLURI: Thank you.

MR. WEINER: Thank you.

SENATOR REDD: Commissioner Davy, welcome.

COMMISSIONER LUCILLE E. DAVY: Hi.

Thank you.

Shall I begin?

SENATOR REDD: Yes, you may.

COMMISSIONER DAVY: I want to thank the members of the Subcommittee on School Construction for inviting us here to speak with you. I especially want to thank Senator Rice, the Chair; Senator Redd, the Chair of the School Facilities Subcommittee; and Senator Ruiz, whose district we are in this morning.

As you know, back in July the Governor signed the legislation, making some pretty significant changes to the existing Educational Facilities Construction and Financing Act. It authorized \$3.9 billion for the State share of approved school facilities. Of that amount, \$2.9 billion was going to be directed to the SDA districts. The remaining \$1 billion, including \$50 million for vocational schools, was going to the regular operating districts' school facilities projects.

And as you also know, that unlike in the last go-round of funding for school facilities, this time the money is not being distributed on just a first-come, first-served basis. Rather, we have a prioritization process imbedded in the grant program, which is based on critical need in accordance with the priority project categories that the Legislature actually included and outlined in the law.

And then third, a requirement for establishing a process for the allocation of grant funding has also changed. And I've got folks from the Department here: my Chief of Staff, John Hart; as well as Bernie Piaia, the

Director of the Office of School Facilities, who can talk in a little bit if you have questions about that prioritization project.

The Department has been accepting applications for the regular operating district grant funding program since August 22, 2008. The first round of grant applications ended at the end of November. The second round is underway, and those will be taken until the beginning of February. So there's another about three-month window of opportunity for districts to submit grant applications.

We've been actively engaged with districts in meetings with them. Stakeholders have also been engaged by us to make certain that they're aware of the availability of grants and the application process.

In addition, we've also met with district staff, with their personnel, to help them through the grant application process: to provide them with technical assistance if they needed it; if they had questions, to answer those questions; and to help them identify their needs and to complete their grant applications. There is a separate process for the county vocational schools because there is a separate amount of money set aside for those schools. And as you know, the law gave priority to the three counties that did not receive any money out of the last round of funds in the last allocation.

The regulations for the grant process have been filed, and written guidance -- our regulations and written guidance was sent to the districts prior to issuing those regulations so that they knew the parameters under which we would be working. There are joint regulations that we are doing with the SDA, and those regulations are not completed yet. We can talk a little bit more if you have questions about the specifics of that.

Based on the Long-Range Facilities Plans, the Department is acutely aware that there is a very significant accrued demand for funding for school facilities projects, especially those that involve health and safety, as well as capital maintenance. I think all of you are aware of that. That was one of the main reasons for moving forward with the legislation -- to have additional moneys available to school districts as quickly as possible.

Since grant funds are now being awarded on an annual basis, any districts that were unable to get an application in during this window or during the next one will still have an opportunity in the future. They will not be closed out. So if for any reason they're not ready at this point to submit a grant application, they will have opportunities again in the future.

As I noted, the second round of applications is underway. We expect that in that second round of applications, there will be more requests for funding for what we would consider to be more complicated educational projects that take longer to bring together and to put together a grant application. The deadline, as I said, is in February. This will allow districts that have approved grants then, from us, to go to referendum in September of next year, so this way the work could begin shortly after that. It is expected that the first round of projects that we approve could go to referendum in April of this upcoming year, 2009, which is just a few months away. So work technically could begin, and be done in some cases, over the Summer.

It is also important to remember that the debt service opportunity will still continue, and districts can also choose to use debt service instead of apply for a grant application. And certainly for any work that they want to do that is not eligible for the grants, or if they're not

going to make it in our prioritization process, they could still seek debt service from the State to support those kinds of projects.

We are certainly grateful for the opportunity to speak here today. It gives us another opportunity to communicate the work that we've done; and for stakeholders to hear about the opportunities that are available to local districts to accomplish the work that we know is already in high demand in districts, for capital maintenance and for health and safety projects.

Our outreach efforts continue. They are ongoing. As I said, we are working with districts. We're also making sure that we communicate with stakeholders so that they can also encourage their district personnel and officials to promote the grant projects.

With reference to the SDA projects, over the past two years the Department's staff has been working very closely with the SDA. We've developed what I think is an excellent relationship, a much improved relationship, and a real seamless working relationship so that our work is much more integrated, the communication is improved, but so is the response time and the integration of the prioritization and the policy work that we are doing.

We're certainly delighted to have Kris Kolluri taking the reigns of the SDA. And we believe that will help really continue that seamless transition on the SDA's side. But from our perspective, I'm certainly having our Chief of Staff, John Hart, work on this. I mean, this is one of John's responsibilities, as the Chief of Staff, overseeing the Office of School Facilities and really ensuring that we're accountable at the Department for our side of the work. I think that has been a huge improvement. I think in

the past, the Department looked at school facilities as sort of a secondary responsibility. And I believe now it has been elevated to a primary responsibility, because we all know how important it is for us to get these projects done and the schools built and opened.

So at this point, we'd be happy to take questions that you have on the grant process or on any of the other areas that you raised.

I think there was a question earlier regarding the Department's role in this. And certainly we do -- we look at the educational adequacy of a project. But we also work very closely with districts on the Long-Range Facilities Plans, because we approve those plans. And projects cannot go forward until there's a Long-Range Facilities Plan that's in place and that's approved so that we know that whatever projects we're approving -- whatever individual projects we are approving -- those projects fit in concert with the district's Long-Range Facilities Plan. We certainly wouldn't want to do major work on a school, replacing windows or replacing the roof, if in fact that school is scheduled, in three years, to be eliminated from the district's inventory and have a new school built. We want to make sure we're using the State's limited resources in a very efficient and responsible way.

With respect to the programs in those buildings, that also is developed in conjunction with the request of the district. I believe there are some high-tech vocational programs in this school. And certainly it's one of the reasons we have a county-wide vocational school system. We cannot afford to build high-tech programs in all 20 career clusters in every high school in New Jersey. It is the reason why I think it's important for us to make sure we have those opportunities available to students on a county-

wide basis. Today, with the technology that's involved, even in-- Assemblywoman Voss, you mentioned the car repair shop -- the technology that's involved in a program like that is pretty significant, and the investment is also very large. And so to try to replicate that in every high school would not be cost-effective. What I think is important and imperative is for us to make sure that those kinds of program opportunities are available to children. And I think, certainly, when we look at our work as a State as a whole -- and certainly on a county-wide basis -- we do make sure that those opportunities are available. But clearly there are high-tech programs, robotics programs, and engineering and pre-engineering programs, and labs that are very high-tech that are being included in many of the high schools that are being constructed around the state now.

SENATOR REDD: Thank you, Commissioner Davy, for your presentation and your update before the Committee today.

I just have a couple of questions concerning the regular operating districts and the grant applications that you've received to date. Could you give this Committee any indication of the number of applications that have come in? You mentioned that February 2009 is the deadline for this phase of receiving grant applications. Do you have a number on how many have been sent in?

COMMISSIONER DAVY: Yes. We've received applications in that first window from almost 150 districts. And there are about 435 projects. Our staff is currently -- because that window closed just a few days ago -- our staff is now working to review those quickly. And obviously, one of the important questions is whether or not there's an approved Long-Range Facilities Plan in place. Because as I indicated before, if they're

asking us to approve dollars for a project, we want to make sure that that's actually part of their longer-term game plan for facilities.

There are about 60 projects that will require a referendum, out of the projects that we've received so far. So I think you can tell from that, that many of them are probably health and safety or maintenance projects for which they may already have their share, and they don't need to go out to referendum to get that work accomplished. So hopefully, in those cases, for many of these projects -- at least in the first round -- as soon as we can approve their grant and give them the money, they can get those projects underway.

SENATOR REDD: Certainly. And I think it would be helpful -- and I'm going to ask for the information on behalf of the Committee -- that of the applications that you've received, if it can be provided -- the information -- to the Committee, broken down by legislative district so that everyone can be familiar with the municipalities that, one, have submitted a grant application under the regular operating districts; but, two, those particular municipalities that will require a referendum. Because I'm sure our legislative offices will want to be helpful to those municipalities that seek our legislative intervention.

COMMISSIONER DAVY: Absolutely. We will provide that.

SENATOR REDD: And with respect to the vocational and career academy programming: whether it's in a SDA district or regular operating district.

I know, Assemblywoman Voss, there was quite a bit of debate and dialogue prior to your arrival about the investment of capital dollars in vocational schools, and affording those types of opportunities for training

for our students that may not be going to a four-year or even a two-year institution of higher learning, but having them where they're workforce ready and they're already trained and skilled for job opportunities.

So with that, Assemblywoman Voss, if you'd like to comment with the Commissioner.

ASSEMBLYWOMAN VOSS: No, I think we've had our conversations before about having diversity in our education system and that we need to really address the learning styles and skills of all of our kids.

I listened carefully when you said, today, with automotive technology -- it's a very expensive thing. But I think that we can have just some training that doesn't have to involve a lot of technology: learning electrician skills, learning basic plumbing skills, learning basic printing skills.

In the schools that I've taught in, kids went out of the schools absolutely ready to take on jobs without going for any additional training. In one of the schools I taught in, the kids did all of the printing for the entire district, which saved a tremendous amount of money. And they then could go and work for any printing shop and not need additional training.

To me, school is a lifelong situation. And if kids get out of high school and they don't want necessarily to go on to college, they would rather go into some other profession, you can always go back to college.

And I have another theory, just to digress for a minute. I think schools should be available almost 24 hours a day. We need to set up programs after the regular school day for people who didn't finish school, who need to come back for additional training, so that we have night schools, adult schools. People don't necessarily follow the same career throughout their entire life, and they want to change jobs because maybe

there aren't jobs where they're trained. Schools should be community centers. We should use these wonderful buildings to do a variety of things. And that's one of the reasons I'm interested in the design of the school and the possibility to have many different forms of education that don't necessarily cost a great deal of money.

I'm sorry I got off the subject of vocational schools. But just having a vocational -- what should I say -- *complex* in each of the counties is not enough. I mean, even an academic person needs to know how to change a flat tire, needs to know some basic things about home repair. We're not doing that for our kids. They're coming out of school and they don't have some of the survival skills that we need to give them.

We need to teach them, also, personal finance. We need to teach them how to write a resume, how to apply for jobs. And we can have highly -- what should I say -- have a desire for high academic standards, but we have to give them the basics first. Education is a lifelong thing.

And I don't mean to get on my soapbox, but I feel very passionate about the fact that school is for everyone, and it should be available whether you're under 21 or whether you've aged out of the system and want to come back and get more skills. That's the function of public education. And I will stop here.

COMMISSIONER DAVY: Well, let me just say, I think certainly the financial skills, and resume writing, and those kinds of things are embedded in the core curriculum standards, and those are taught within the context of the high school program. I mean, it's expected that children learn the basics of finance. I think it's clearly important, now that we see what's happening around us in our economic system, that we do a better

job of that. Because, obviously, for many, many years we've not done very well.

I think, with respect to programs like print shops and things like that, those are not expensive programs. And I think schools all have those kinds of opportunities. Certainly schools today are printing their own newspapers, they're designing their own newspapers on computers. I think what I'm talking about are the more high-end programs. And some of those things-- And I've actually talked to some local district superintendents who have said to me that some of those programs are too expensive for them to maintain their own facility within a high school building. I think, clearly, some of them that don't cost as much money could easily be embedded if that's what the district chooses to do in the facility. But I think, for the most part, many of those vocational programs today have a lot more technology and a lot more high-end, innovative tech work embedded within them and, therefore, they do become a problem from a cost perspective.

Many schools that had auto shops closed them down, because they didn't have the computerized technology that's required to give students the background they need in order to obtain the certificate that a young person needs in order to be able to fix cars. So I think it's clearly an issue that we need to address. Because I agree with you. We need plumbers, we need electricians.

I think the other issue we have is, we have a lot of vocational schools around the state that have opened that are not focused on those kinds of careers. They're focused more on the high-end careers. They're preparing, in a very specialized way, students who are going to college and who are at our higher end. And I think maybe the conversation that we

ought to have is more around whether we ought to make sure that vocational schools focus their resources and their energy on those programs that are more traditional vocational school programs.

ASSEMBLYWOMAN VOSS: I don't mean to interrupt, but I'm from Bergen County. We have three schools which are not -- they're public schools, but they're not part of the community. And we have the Academy, which really goes into very high-end education. They have stem cell research labs and things of that sort. Then you have the technical school, which really prepares kids for engineering and for going into architecture and things like that. Then we have the vocational school, which is absolutely phenomenal. And we need to have more schools to address more learning styles of kids.

Just to go back, perhaps some of these things are in a curriculum, but I know in the Legislature we had to introduce a bill to make financial -- personal finances a part of the-- I'm on that bill, and I think several other people here are on that bill. And I get quite a few-- I work with the business and industry groups. And one of their big complaints is that kids are coming out of school not prepared to be literate in terms of writing letters and things of this sort. I think we have to go back and make sure-- I know it may be part of the core curriculum, but I don't know if it's necessarily being addressed.

I get calls from college students who want to do some papers on some of the legislation I support. And do you know what they tell me? They say, "We don't know anything about government. We don't know anything about local government or how we can get involved. We don't

know anything about freeholders. We don't know anything about the State government." We have to really go back and look at some of these things.

I know this is about construction. But since I have a microphone in front of me, I might as well get all of my issues out. (laughter) And this is what I mean, in terms of preparing kids -- not just preparing them with job skills, but-- I mean, those are job skills or survival skills. And I think that we really need to look at some of the things that we're doing and how we are doing them, in terms not only of construction, but of all areas revolving around education.

ASSEMBLYMAN COUTINHO: Commissioner, following up on this issue of vocational education and tying it, obviously, with the facilities and construction-- I hear you that it's very expensive to have full-blown vocational centers in every school and we can't do that. My question is: To what extent is the State promoting or pushing, for example, local districts to work with the county vocational schools? For example, why don't we invest-- We had the County Executive here earlier saying we need to invest more in the county schools. Fifty million wouldn't be enough for one.

What can we do? And I think it would make sense for the State to promote, again on the shared services concept-- While we're building new schools, why don't we build first-rate vocational schools, but then make vocational education available to all students, so even the ones who will go to college get some exposure to vocational training at the county vocational schools? Maybe it's that you take a half-day a week or every two weeks so we can structure something on a shared services basis.

I was curious to what extent we are doing something about that and what your thoughts would be, and ideas along those lines.

COMMISSIONER DAVY: The consolidation of school districts and the regionalization -- the work that we're trying to do to have fewer districts, I think, is part of this conversation. That's one of the ways I've talked with superintendents about it -- where there are districts that have vocational programs in their local high schools and they've said that they can't maintain all of them because it's too expensive. And this is another place where they could also share with other districts.

I think there are lots of opportunities working together. Right now, any child in the county is able to apply and participate in a vocational program in the county. We certainly have career and technical standards imbedded in the State core curriculum standards. And certainly districts have different ways that they make those standards available to students. We don't dictate how an individual district does that. But I believe, through consolidation and through shared services, as you indicated, we will have opportunities to do that. Frankly, we think that it would give students more choice opportunities if we could bring districts together, not just saying the student could go to a vocational -- another vocational school, but also maybe to a different high school. That's, obviously, thinking a little differently than we have in the past. But certainly, if we can consolidate some of these districts, we can make those kinds of opportunities available to students.

Much like they have in this city here, where there is a Science High School, University High School. They have different programs. As a part of our secondary school transformation work, we're looking at

providing what we call *small learning communities* inside of high schools so that they can be focused on a particular subject area or a particular career area, so that young people can not only be exposed to career opportunities, but also have their content taught inside of a small learning community that's focused on something for which they're interested.

So it's part of our work on consolidation, but also on preparing students to be not only good workers in the 21st century, but to respond to what Assemblywoman Voss was saying, to also make sure they're good citizens in the 21st century.

ASSEMBLYMAN COUTINHO: Okay. That's it for now.

SENATOR RICE: Commissioner, and to my colleague, we need to be very cautious. And that's why I think it's important we hold hearings and listen. Vocational schools certainly play a very important role in our society -- always have done so.

But vocational schools are basically geared to just what it says, vocational opportunities. When I grew up in this city, we had Irvington, we had Newark Vo-Tech, we had all the vo-techs. We even had Central High, where if you wanted to go-- If you weren't pursuing a liberal arts course, then you went into the vocationals.

I'm a firm believer that the academic setting in the public school system needs to have the academy-type settings. For example, at Central you have the robotics and engineering kinds of pieces. When you remove that, you're not really talking about directing kids. Because everybody cannot go to a vocational school, on a pathway, and you have all this other stuff crowding it. There's not enough room.

So when we look at it, we have to really define what it is we expect of vocational school in terms of curriculum, pathways, etc., versus the kinds of things that we continue to take out of public schools in general that I've always felt should go back. I mean, we started taking out woodshop and all the curriculum types of things that kept us motivated -- music. We did a disservice.

Now we've finally reached the stage where our young people are a little bit more sophisticated. They really have that hands-on-- This technology stuff has them thinking how to build all kinds of stuff right here. And so we have to keep that. The competition for those who are not doing as well academically comes from the people around them who are their peers. Once you isolate them, what you've actually done is suppress the education, unintentionally.

I haven't done the research on that, but I'm telling you, to me, that's a fact -- at least in this city. People think there is something wrong. So we need to have that conversation and, especially -- and I believe Senator Redd, and others -- and maybe it should be a full Committee meeting -- just with vocational people coming in expressing their ideas, their concepts, their concerns, their needs.

COMMISSIONER DAVY: Senator, let me say, I agree with you. And I think, for me, the real question is: Do we put children on one track or the other and say, "This is all you get out of your public K-12 education?" I think what's critical is that children, regardless of which path they choose, should have options at the end of either path.

And we heard a few months ago, at the State Board of Education meeting, from some students from Cumberland County who

went -- decided late in their senior year that they wanted to go to college. And they were not prepared to go to college. When they got to Cumberland, they basically had to redo high school classes before they could take real classes. Now, that cost them money and it cost them time. In some cases, they burned up financial aid, which is not renewable. You only get so much financial aid opportunity.

And so in my mind, children at 17 or 18 don't know exactly what they want to do for the rest of their lives. And we ought to make sure that wherever they go, and whatever program they follow, they have options. And I believe quite strongly -- and I know there are folks who disagree with me on this. But I believe that we should give every child the opportunity to make an individual decision as to whether or not they want to go to college. And as educators and adults in the system, we should not be predetermining that for them and saying, "You're not good enough for college, so you go to a vocational school. You're not good enough for college, so you take a substandard high school program." That ought to be the decision of those young people. And it ought to be our responsibility to prepare them all. They're not all going to learn the same way. And for some of them, a vocational program is the best place for us to give them the content that will then allow them to finish and choose, "Do I want to continue on my career path, or do I want to go to college?" I think choice for those children is critical. And I think, based on what we see, it is children of color and children in urban areas right now who are the ones who have the least amount of choice. And we've got to fight to ensure that they get the same kind of educational opportunities that children get in the suburban areas of this state so that they have the same choices, they have

the same ability, as long as we do our job. We can allow all of them to have the same opportunities and then let them choose whether they want to try a career path through a vocational program after high school, or whether they want to go to an apprenticeship program, whether they want to go to a two-year college, whether they want to go to a four-year college. It should be their choice, not something that we determine for them.

SENATOR RICE: And I agree. That's my point. My point is that half of the population in Central High School decides they want to go to the vocational schools for certain courses. They're not going to get there. We don't have the capacity. And my point is that wherever you go, we should lay the foundation.

It's like going to college. There are what you call *mandatory courses* and there are *electives*. And my point is that when you build a school like Central and don't have an engineering pathway, which is not maybe as extensive as, let's say, a vocational school pathway would be, we do a disservice; because I need that pathway, and you're telling me to apply to a vocational school, and I can't get in because they're overpopulated, and we can't build but so many. That's the point I was making. We need to figure out how to strike that balance and determine what it is we expect of the vocational schools, from an academic perspective, curriculum perspective; versus what components, as we continue to build new schools, we'll make room for in these particular schools, such as we did here, which I think is a great thing.

COMMISSIONER DAVY: I think Dr. Janey is working on that for the high schools throughout the city. I know that Science High opened a couple of years ago. It's a beautiful facility, very modern, has all

high-tech laboratories and everything. But I think -- and I don't know, I could be wrong -- we still don't have AP classes there -- or you're working on that, right? They were not offering AP classes at Science High School in science. It's something that Dr. Janey is working on.

You're right. A school like this that has an engineering lab and some really high-tech robotics opportunities-- There ought to be a path for kids. And I would assume that that's certainly what he'll work on, as the leader, because he's working on transforming the secondary opportunities for students in the city. We have got to do that for children throughout the state.

SENATOR RICE: I don't think I have any more questions for you. You kind of answered the question regarding-- Maybe you didn't, exactly-- Well, you probably-- You asked a question involving your role. But you're doing rules in this new regulation. Are your rules completed, your own regs? We're talking about the delegation that was passed in September.

JOHN J. HART: No, they're not complete.

COMMISSIONER DAVY: Not the delegation.

MR. HART: What we're trying to do -- what we're looking to do is to make sure that both the SDA regs and the DOE regs come out simultaneously. And we're working with the SDA in making sure that they match -- the two regs. So we expect them out the same time as the SDA regs.

SENATOR RICE: Do you have anything prepared so far? SDA went before the Board already to approve what they had in place. I suspect that you didn't have anything in place at that time.

MR. HART: That's correct.

SENATOR RICE: Is that correct? Do you have something in place now, or are you still working?

MR. HART: We're still working on it, because as the SDA has changed their regs a bit, we have to -- we should, and we will, and we have sort of coordinated our changes to match.

SENATOR RICE: What is your timeframe?

MR. HART: We're looking at-- The timeframe for presenting them?

SENATOR RICE: Yes.

MR. HART: We're looking to have them complete at the same time the SDA regs are.

SENATOR RICE: Okay. Would you make certain that, whatever you have, a copy comes to the Joint Committee, through the Chair? And she can share them with the rest of us on the Joint Committee as a whole so that we can be on the same page. Because it's difficult going to meetings and working with document summaries on one side of the organization, and we don't have anything from the other except for the fact that DOE will be working, developing their own regulations to govern the role of the delegation process. Well, that doesn't tell me we're working in harmony. It means that you all have to play catch-up again. Okay?

MR. HART: Okay.

SENATOR RICE: SDA is always ready to move this way, and then we have to get delays on the other side. When you said, "Well, we don't think this should go with the project. Let us take a look at it," then we held up. The emergent is a good example. We had those conversations

-- the emergent. SDA said, "We think it's for the emergents." You all said don't, and we held up. So could you all kind of pick up your activities there? Do you need some more staff? We don't have any more money. (laughter) But pick it up a little bit so that we can be on the same page, so we don't have to read but one basic document, so we will know what is being presented, administratively, through regs, and what we have to do legislatively -- if we disagree, to cut you off at the pass or to help you. Okay?

COMMISSIONER DAVY: We'll send you the draft of the deferral -- of our deferral piece. We've issued regs around the process -- the grant work. But this is a separate piece, right?

MR. HART: Right.

COMMISSIONER DAVY: If I understand that.

MR. HART: Right. The Chairman is speaking about the deferral regs rather than the regular operating district regs.

COMMISSIONER DAVY: Right.

SENATOR RICE: Okay. And the final question is -- and maybe you answered it and I didn't hear, or maybe it wasn't raised. At the last meeting, we had discussions about the number of long-range plans that have been submitted versus the ones that haven't, and who have not submitted -- so that we can assist you by jumping on their cases about getting those plans in.

COMMISSIONER DAVY: Yes, we can-- Do you want us to provide you a list of the districts that don't-- Because some of them have submitted them, but they're not approved yet, because we're still working through -- maybe they have missing information.

SENATOR RICE: Right.

COMMISSIONER DAVY: Do you want to know the ones who haven't submitted anything?

SENATOR RICE: Yes, the ones who haven't submitted. Submission is one thing. Having really expedited their process and shake, as we said in the old days, a little leg or something to get them in, as required, is something else. And that's what hurt us as we tried to fight for education dollars -- it's often times the districts aren't doing it as expeditiously as they should -- what their responsibilities are to get that stuff to us.

Do you have any idea how many districts have not submitted long-range plans?

COMMISSIONER DAVY: Thirty-seven have not submitted at all.

SENATOR RICE: Do you know whether or not there's kind of like -- they're diversified, or is it mostly urban, mostly suburban, or kind of balanced?

COMMISSIONER DAVY: Mostly suburban would be our guess. The SDA districts, I believe, all have plans in. It may be that for some of these districts, they did all their work, and this is not a top priority for them. They don't have any projects they're interested in doing, and so they're just-- I mean, 37 out of 600-plus is a pretty small percentage.

SENATOR RICE: That's right. But can you send us a list of those who have not submitted so when our colleagues in Trenton are debating us, we can let them know, "You go back and talk to your superintendent. Don't give me a lot of lip service." And we can also notify

those districts -- when they come down and tell us what they're not getting, why they shouldn't get it in other districts -- that they're not meeting their own responsibilities?

MR. HART: Certainly.

As you know, Chairman -- or as you may know -- in order for the regular operating districts to receive funding, they must have a completed Long-Range Facilities Plan. And that is usually what's used as an incentive. So those districts that are interested in receiving funding would be the ones who have the most incentive to complete their Long-Range Facilities Plan. And, frankly, it's the reason why we've had so many more Long-Range Facilities Plans completed recently.

SENATOR RICE: We're talking about children's education. Everybody should have an incentive, whether they receive money or not. I happen to have sent to look at them. So let them know that I made the request. And if need be, I'll have staff to call and find out where they are. And we may even go visit them in their district, hold a hearing, have them come in and tell the public why they don't have a plan in. Okay?

Thank you, Madam Chair.

MR. HART: Thank you.

SENATOR REDD: Thank you, Commissioner Davy. We appreciate your time, and your presentation here today, and the update.

COMMISSIONER DAVY: Thank you.

MR. HART: Thank you.

SENATOR REDD: The next presentation we will hear is from the Superintendent of the Newark Public Schools, Dr. Clifford Janey.

Dr. Janey, thank you.

SUPERINTENDENT JANEY: Thank you very much.

I'm going to be as brief as possible without compromising on some of the points of substance I'd like to raise this afternoon.

Let me share, first, an observation, as far as the conversation has been going so far. I think it's very difficult to have only a Long-Range Facilities Plan and not have a long-range educational plan. If you have a mid-range academic plan, and it goes out three, or four years, or five years at the most, and your facilities plan goes out twice that period of time, you're creating a situation in which facilities will be driving the direction of the mission of the organization, not the education plan that will drive how we want to use our facilities.

I say that because of the big example. We have about 4 million square feet of roofing here in the Newark Public Schools. And we've done some estimation as to what we could save on an annual basis if we converted our roofs so that we could take advantage of solar energy; and the jobs that we could build for our youth, our adults, and our families in Newark. If we just took half of that square footage, 2 million square feet of the roofing that currently exists, we could save 42 percent in electric costs and have an actual savings of \$8.5 million a year.

And I point this out because absent from today's conversation has been a need and a direction of designing and constructing schools that will have capacity to draw down on the solar energy, and then have an education plan that will allow us to fill the new jobs that are going to be created for our youth. That would include general construction, roofing, that would include electrical. And those kinds of opportunities would be in

abundance on a regular basis if we now began to test out, in some pilot fashion, how we could actually create a template to do this work over time.

So I suggest that there's an opportunity that can come out of a challenge, as I mentioned earlier, and that is the creation of jobs in the world of green -- and design and construct schools in ways that would take an advantage of our innate ability now to design and construct schools that would advantage the solar energy.

Number two: I would like to bring out a point that I think would serve our mutual interest. I know you face challenges in Trenton with individuals who do not share the same common core of values that you are expressing today with respect to having Newark, in particular, be able to close the gap between the number of schools currently in the cue for modernization -- and there about 10 of 70, and that's only about 14 percent. And there are some people I have heard, reading and listening to blogs, that really don't believe we need to have our schools modernized. It is okay to continue an average, including our new schools, of our buildings being 85 years old on average. And there would be some who would argue that because when they went to school it was hot and sweaty, those conditions were bearable then, and why aren't they bearable now for our student population.

I would hope that we could, in the future, on the second point-- I would hope in the future that we could work together so that we could show, against very clear measures, how a school like Central High saves money in the lifecycle over time, versus more millions of dollars to address what we haven't done on regular maintenance. And we've deferred the maintenance of some of the older schools with respect to hygiene, and

safety, and code violations. If we keep pouring money into that old model, the lifecycle costs will outweigh what we need to put in to modernize our buildings. And I hope we could work together to show the financials of what it would mean to save money by the design and construction of new schools.

Number three: I would like to comment on what I've heard this morning and this afternoon regarding new regulations that would allow school districts to be on the construction side of the equation, not necessarily the design side. It was a tripartite kind of relationship on the design side, meaning the architects, the school district, and SDA.

I would comment formally, once I get a chance to review the proposed regulations when they are coming out, that there should be some consideration for school districts to also be in the loop to do design and build. When we talk about doing it faster and doing it more efficiently, with respect to costs, it may be difficult to have so many entities on the design side, and it may be better to have one entity on the design side and then certainly move from design, to build, to construction.

Fourthly, I'd like to draw down on the experience I had in Washington, D.C., to see to what extent we would consider, as we move to modernize our schools, forming public-private partnerships with various entities. We, in Washington, D.C., had an opportunity to have a public-private partnership with George Washington University. There was a high school in that neighborhood of George Washington University called the School Without Walls. We had land for which we did not have any need. So we created an agreement whereby we gave up that parcel of land for a reduced cost of a new high school. We had a significantly reduced cost of

what would have normally been our share of the financial package, in terms of design and construction, by using that small piece of property that we really didn't have a need for. So we were able to keep the façade of the school, because it had a historic look, as we have high schools here; and we were able to put on the table, in negotiations with that University, its President, Steven Trachtenberg at the time, and his legal and financial team, an opportunity whereby our students at that high school -- because it was a formal relationship between the School Without Walls of Washington, D.C., and George Washington University -- students would be able to earn an associate's degree from George Washington University and their high school diploma, with no cost to be born by the individual student or family.

That's an opportunity that's worthy of consideration, where it may be doable, because we know 80 percent of the jobs in the future are going to require some form of higher education. But I always have believed that our commitment in a long-range educational plan has to make sure our students are college-prepared, as well as being job-ready. It's not one or the other. And in that light, as we build an educational plan, and if we are in a position to convert our roofs into solar capacity roofs, it would create more jobs. And we might need to have an academy -- a construction academy within Newark, whereby we would have the benefit of electricity, we would have the benefit of carpentry, we'd have the benefit of roofing. So our students seamlessly go through high school -- would be able to access those kinds of opportunities right after high school.

And finally, I'd like to make a note of appreciation. I know there's been at least \$200 million provided by SDA to Newark regarding

these maintenance issues over a band of schools. And I would repeat that if we worked together to show how we could demonstrate savings by modernizing schools and not filling up holes that are existing -- and I mean that metaphorically and, quite frankly, in reality -- holes that are existing in our existing schools, we would be better off and I think our mutual interests would be served.

And I'll close by sharing with you two notes of appreciation that should go to the work that the Office of Facilities Management has been doing over a period of time. Newark was recognized for the fourth consecutive year and received the Facilities Master Award by the International Association of School Business Officials for its outstanding facilities management program. In addition to that acknowledgement, whereby Newark was the only district in New Jersey to receive that recognition, more recently Newark Public Schools and its Facilities Management Office will be presented with an excellence award for their leadership in indoor-outdoor air quality. That's particularly relevant because of the high number of students who have asthmatic conditions, if not staff members. And to do that, and get that as a way of recognition -- and it was a national competitive opportunity. I just wanted to go on record to acknowledge the work of the Office of Facilities Management.

And one more final comment. I sound like a Baptist preacher trying to end and--

UNIDENTIFIED SPEAKER FROM AUDIENCE: Be careful.
(laughter)

SUPERINTENDENT JANEY: Yes, sir.

In our long-range educational plan, which will be released next March, one of the features that we will have in it will be a certificate of employability which each of our high school students will be able to earn. This certificate of employability will demonstrate to prospective employers that our students are job-ready. Their high school diploma would ultimately mean they're college-ready. But we feel as though there is a need for our students to be more competitive for jobs that are here in Newark, whereby, right now, there's an imbalance between Newarkers having jobs and those who are outside of Newark having access to jobs that can provide support for their families. Out of four or five jobs in Newark, only one belongs to a Newarker. And we have some work to do in the school district. And you certainly have my commitment to close that gap. And I did give some examples of how we can do that with respect to solar energy.

I'm going to close and ask my colleague if you want to make any initial remarks before we entertain questions and comments from Committee members.

S A T I S H D E S A I: I just wanted to comment on the LEED and the green building effort that's going up across America. And I think New Jersey is way behind. And Dr. Janey already talked about lifecycle cost. We look at the first cost, but most of the cost to operate and maintain the building is --about 80 percent of the total life -- during the life of the building. So we really need to, as a whole -- the community, SDA, and the Governor's Office -- we need to take a look at the lifecycle cost in designing and constructing our buildings. And solar is just one part of the building. Other parts of the country, there are LEED certified buildings -- school

buildings being constructed. And I think we are lagging in that effort, and that's going to pay off in the long-term.

That's all.

SENATOR RICE: Thank you, doctor.

Any questions for the Superintendent?

Senator.

SENATOR RUIZ: Thank you, Dr. Janey.

You made the comment of a green academy, I guess, for lack of better words. And I just wanted to highlight that the Essex County Vocational School has embarked on that. And I know that now we do have a collaboration between both superintendents. It's a public-private partnership with PSE&G, but it's something I'd like to work on with you. Because it certainly makes sense that if we can get our children trained and working on our new facilities, it's a win-win.

SUPERINTENDENT JANEY: As an additional comment, we have begun to take our Long-Range Facilities Plan and what we're building as an educational strategic plan, and work with the City of Newark. We'd like to do the same with the staff members and leaders of Essex County. Because we can't act in a silo fashion in trying to get the big picture done.

If we're going to have, for example, another full-service community school like Quitman, the city should know. Because if it's going to be full-service, the city need not, perhaps, invest in a health center in that area. So we're cross-walking, right now, plans so that we're not going to bump heads or waste taxpayers' investment of dollars because we didn't talk with one another and didn't plan accordingly. So I just wanted to build on Senator Ruiz's point there.

ASSEMBLYMAN COUTINHO: Mr. Chair, just--

Yes, Dr. Janey, earlier we were talking about the issue of vocational schools and facilities, and you had mentioned the interrelation between facilities driving, let's say, some of the educational goals.

My question to you is: Given what you've seen so far, what are your thoughts to the extent that the Newark system has enough vocational opportunities or vocational education opportunities for their students? And are the facilities adequate? What would be some recommendations in that regard?

SUPERINTENDENT JANEY: I do believe we can, through appropriate academies, provide opportunities for our students.

SENATOR RICE: Doctor, pull that a little closer to your mouth there, because you are soft-spoken.

SUPERINTENDENT JANEY: Not all the time. (laughter)

I wanted to point out that not all the time is it the case where we should only have one vocational career opportunity for students at one location. We can do such through our innovation to create academies that are particularly unique. If we had a high school that was constructed in the green context, and its roof had been appropriately designed for paneling of energy, why wouldn't we have an academy that would reflect the design and planning of such, and the construction of such, within that particular high school? Because that roof will have to have some level of maintenance after it's constructed. And if we do that throughout the district, we are creating an opportunity for our students, once becoming young adults to becoming adults, to have the kind of opportunity that others have had for generations -- that is consistency and growth in a job area that's not going to go away,

and that's in solar energy. So I see opportunities in the planning that we need to do, as we build this education plan, to drive and guide how we want to use our facilities as a very important step to close this gap where opportunity is still only for a few, but promised for many.

ASSEMBLYMAN COUTINHO: Thank you.

ASSEMBLYWOMAN JASEY: Thank you, Dr. Janey.

Just a couple of comments. First of all, I'm very excited about the comments that you made. I also think that we need the public-private partnerships that you're talking about. And I was very disappointed when I realized that this building, for example, has no solar panels.

But the comment that you made that struck me most was the long-range educational plan. And that is something I look forward to seeing. Because you're right. We do talk a lot about facilities, and we talk a lot about what they're going to look like, and how we're going to renovate them and improve them. But we don't have enough, perhaps, conversations on what are we preparing -- how are we actually preparing all of our kids to move forward? And I like the idea of -- and I think it's-- Change comes very slowly in education, I've learned. But the idea that schools should be an integral part of the community, a seamless transition between the school day and the rest of the day, that schools should be places where the entire community is able to participate and make use of the facilities. And I know that, as a past board member, it's very hard to do that in the current climate because of liability issues, and safety issues, and who is going to pay if the building is open 24/7? Who is paying the electric bill, and the maintenance bill, and the security bills? So these are issues that I'm very happy to hear that you're beginning to think about and to address. Because

I think that you could possibly be a model for the rest of the state in terms of how we could do a better job of using the facilities that we have. And I think that the community, at any given time -- I believe the percentage is something like 30 percent of the community actually has children in the schools, and therefore the rest -- the other 70 percent -- feel like, "Why are we pouring all this money into schools and education?" They don't see the connection. And I think that maybe it's our job, as legislators and educators, to help the community see that the school is more than just a place that kids go to for six or eight hours a day.

So that's my comment. I don't have any particular questions for you, because I know that you've only been here a short time. But I certainly look forward to building our relationship and working together. Because I think we do have an opportunity to think outside the box and to begin to make some changes across the board and across the district that will help us reach every child in the district. So I look forward to that.

SUPERINTENDENT JANEY: Can I make another comment on this point? (affirmative response)

We both believe schools are an integral part of communities and community development. In saying so, it's very clear to each of us, I believe, that our work isn't just in the area of pre-K to 12. There are hundreds and hundreds of young adults who are 19, 20, 21, 22 years old who either finished Newark public schools -- did not finish, for whom we have some responsibility. And as we construct and design these schools, it's important that the school doesn't just shut its doors at 3:05 or 3:30. And young adults who need access to these academies where solar jobs are going to be opening up more and more-- Our relationship to our community,

particularly when we have more adults not with kids in schools -- and it's not just Newark; that's pretty national, as you know. Our commitment has to be very unambiguous, clear, and direct, that opportunities for not only pre-K to 12, but for young adults and others who can now access schools of choice that have these kinds of programs that are unique, and right down the street from where someone might live-- That's the kind of work we need to do, and that's the kind of work we put into our education plans so schools will become, once again, beacons of their respective communities and lend themselves to the job opportunities that are somewhat restricted for the few -- are now open for the many.

SENATOR RICE: Any other questions for-- (no response)

Dr. Janey, let me thank you.

Let me also be on the record to remind you and all others who are here -- those who may read or hear -- that in the school construction program throughout the State -- it's one of those very necessary, wonderful, wonderful things we're doing. But once the schools are constructed, those of us on this Committee and others -- we can't argue for dollars. We have to now argue for accountability. The expectation is we build a new school where our children can learn. There are going to be those who think that because you have a new school, the test scores are going to change dramatically tomorrow. We know that's not going to happen in a lot of the cases. But there is a period of time that we expect-- We have expectations of greater test scores and children wanting to learn. And that's going to be measured out. And that's why I'm glad to hear you say that you recognize in these design stages that we have to build and construct schools like

churches now, that can be used on a regular basis for a lot of kinds of activities for these students, as well as their families.

Let me thank you for the job you're doing. I know that it's not going to be an easy one. But so far nobody is beating me up to complain about you. So that's a good thing. (laughter)

SUPERINTENDENT JANEY: We'll talk. (laughter)

SENATOR RICE: Okay. The Chairwoman is back.

But let me just kind of shift the agenda a little bit. We're going to have Reverend Dr. Jethro James, from the Committee of Newark Black Churchmen, to come up next. And while he's coming up, I want to also call up David Mooij from Neptune.

Is he still here? Is David still here? (affirmative response)

Why don't you come up and sit next to him, David? This way, we can get you back to Neptune.

And right after that, we're going to have -- there are a couple of speakers here from the Essex County Vocational School System -- not the Essex County, but the county vocational schools. We're going to bring them up at the same time. Then we're going to move the NAACP in. Then we'll move the charters, etc.

REVEREND JETHRO C. JAMES JR., D.D.: Thank you, Mr. Chairman, thank you, Madam Chairperson, for allowing me to speak before you.

I come before you as the President of Newark-North Jersey--

SENATOR RICE: Reverend, just bring it a little closer to you like you're preaching.

REVEREND JAMES: You don't want me to do that. (laughter)

Thank you for allowing me to speak. I will try not to be long.

The reality is that I've come here today because we've been talking about some hard realities, about jobs for hardhats. And usually in our community there is no hope. The reality is that prior to my life at Newark-North Jersey, as you know, Senator Rice, I worked for Public Service Electric and Gas Company for 38 years, was on a local community committee that monitored school construction.

I ask that this Committee will consider a local committee again to work with those who are responsible for constructing schools in our community. I believe that, as you know, all politics is local.

The reality is that there have been some things that have been going on in school construction. And, Senator, you addressed it earlier. Number one, you talked about the reality of unemployment in our community with those who live in the community where the schools are being constructed. I have no problem with trade unions, but I remember when they were doing some of the schools -- the cleanup. They left our neighborhoods like they thought we didn't deserve to have a clean place to live. We even went to them and asked them for jobs outside the fence, allow some of the residents to work the cleanup after hours or during hours. It doesn't take a college degree. You don't have to be a member of a union. And it was a livable wage, just as a common laborer -- the cleanup. We ask this Committee to please have some influence in talking to those who give these construction jobs about jobs outside the fence.

And then, I too often rode around the construction sites, and I heard about monitoring. The reality is, on any given day, no one in there looked like me. There might be one here and there. I understand that the

number of trades -- if we did a breakdown on what trade was working when, we know that when they're pouring cement, you may have a few steel workers, but you're not going to have the electricians out then. And so I monitored the trades. Every now and then I would see somebody who looked like me. I would see some woman on the job.

And then I'd stop and ask them, "Are you from the Newark area? Are you from Essex County?" I met a gentleman from Hackensack. I met a gentleman from Teaneck. I met a young lady who lived in Englewood. But I couldn't meet anybody that looked like me from the Newark area. And so they were importing folks. And I have no problem with that, but give us a chance -- the people in the local community -- to work. That's a reality.

And then I heard things today about the technology side of the schools -- partnerships. And I've talked with Dr. Janey. And I agree with him with this diploma of employment. However, in the public partnership-- When I worked at Public Service Electric and Gas Company, we had a partnership with one of the tech high schools. We taught those children, for three years, HVAC. At the end of the three years -- and you can look at PSE&G's 2000 annual report -- those kids plastered our annual report. They didn't hire one of those children. The children passed every exam we could give them. They passed our HR. But they made a decision not to hire them because they were 17 and 18 years old, well-trained, well-prepared to come into the workplace, but they got pushed back from the unions. And then -- I quote Ralph Izzo, who is now the head honcho at PSE&G -- in a private room -- "Well, 17-, 18-year-olds are not responsible

when they're driving vans. We're self-insured, and so therefore we won't hire those kids." I have a real problem.

And so I say to Dr. Janey and those on this Committee-- PSE&G, right now, because it's popular, is willing to work with you to do the solar piece. Make sure you get something in writing that they will hire those kids once they are trained. Make sure you make them put it in writing. If not, they will renege again. It's a business decision. There's nothing funny; it's all about money. And so we need that public partnership, but it must be a public partnership of integrity and trust.

Once again, we talk about local agreements. I believe that a local agreement is what we need to help further this process along in build and design. Once again, I worked with a gentleman at Public Service who has now gone on to become the President of the Professional Engineers Society of Washington, D.C. They come along and they do projects like this. Let them take one school, get the best of the best, and let them give it to us at no cost. I believe if we ask, we can have it.

Scripture says -- and let me be a preacher -- "You have not, because you ask not." I think the Society of Professional Engineers would come in, cut down on the cost, as well as provide opportunity for some young man or some young lady to become an engineer.

And then, Dr. Janey, I love the idea of the School Without Walls. We have one of the best technology centers in the country right here in Newark -- right here in Newark. And there's no reason that we cannot go right here in Newark and have them working with the school system. They're part of CHEN, they're part of what we want to do.

And then lastly, let me say this.

And, Dr. Janey, I may be in my preaching mode now. Because you had three *lastlys*, so give me a couple of them.

I heard about 9,000 jobs that are going to come out of this new \$3-whatever-it-is billion. Out of those 9,000 jobs that are going to come, how many folks are going to look like me? How many minority subcontractors -- because none of us, the way the regs are written, are big enough to be a contractor. But how many minority subcontractors can get the bonding and the finance it takes to work on these jobs? It doesn't mean we don't have the skill set, we just don't have the capacity to do the larger jobs. And so we are written out of the hope, we're written of the reality, we're written out of the hardhats. And so I believe that's a job for legislation to write in so that the small guy and small girl can come to the table. And then out of those 9,000 jobs, how many will end up in lifetime career paths? And by that I mean-- There are some of my children who can come out of a program in Newark, New Jersey, with a diploma of employment that can be taken right into the apprenticeship of the unions. Why can't there be a partnership with the unions and the school board -- the local-controlled school board, where the unions are there, just as Public Service did for three years, if it's HVAC? So when we're doing the work at schools, they get to see the large part of the construction. And anybody who knows construction -- if you don't know math, you can't construct anything. And so it's the academic as well. Because there was somebody who came out of -- in my days -- the old shop class.

And then there's one other thing, and then I'll close it for real.

I heard about the cost of putting state-of-the-art equipment in schools dealing with, for example, automobile repair. That could pay for

itself. On a sliding scale, given community groups, given nonprofits that we-- We own automobiles. I have no problem taking my automobile to a young man or a young lady in a tech. And on a sliding scale, if we have to buy the parts, and they have the technology and expertise to put it there, it could be not only a money-maker, but a launch of a business for some young man or some young lady to be part of the neighborhood. Many of the nonprofits took care of high school and State vehicles, once they had the technology.

So I don't think this is rocket science. And so I thank you for giving us the opportunity.

And then create alternative paths for our children. And the alternative path says, "Maybe I could build this school by myself if I had my own construction company." Teach them entrepreneurship and bring the classes together. The reality is that not only will you have better schools, you'll have better housing; you have better housing, you're going to have better folks who have jobs, and you're going to have a better opportunity where we won't be having these kinds of hearings.

I thank you for your time. (applause)

SENATOR RICE: Thank you.

Hang on, Reverend.

REVEREND JAMES: Yes, sir.

SENATOR RICE: There's a question for you.

REVEREND JAMES: Yes, sir.

ASSEMBLYMAN COUTINHO: It's not a question.

Just real briefly, Reverend, for your information, I've been meeting -- this issue of minority participation is important. I've met with

the SDA on the issue. And, of course, Senator Rice -- I believe you were here earlier -- heard that both the African-American Caucus and the Latino Caucus have pressured the Governor on it.

One thing I will let you know is that in terms of the economic stimulus package, which is coming out, I have commitments from the SDA, the DOT, and EDA to come to Newark in late January to do a workshop with all minority firms to make sure that they're aware how they can get involved. And, of course, we're going to continue to put pressure on to see that the regulation and executive order -- we can expedite some things. But it's also very important we get the work out. There will be a workshop here in Newark in late January so that companies can find out how they can be involved.

I just wanted you to know that. And, of course, as soon as I have the exact date, I will be reaching out to you, for you to let a lot of the people -- I know you're a leader in that area -- aware of that conference.

REVEREND JAMES: Assemblyman, I want to thank you. But I also want to caution you that they come and give us the workshops, but then the paperwork looks like a telephone book or a binder.

The other thing is that when it comes to the financing, they write in regs such as saying that you have to have X dollars in whatever it is. And so most small contractors and minority contractors that can't get bonds-- The last school construction -- I may be wrong in the number -- I believe they had to be bonded between \$5 million and \$10 million. The one minority that worked in school construction -- I believe he was out of Lakewood -- they had to do some stuff with him. And I believe it was \$25 million. And he was the only one.

ASSEMBLYMAN COUTINHO: I am aware of that, and we are looking into ways we can facilitate some things. But I do want to make you aware that that opportunity will be there. And we're going to continue to explore ways that we can get more and more minorities onto these job sites.

REVEREND JAMES: Thank you.

SENATOR RICE: Thank you, Reverend.

REVEREND JAMES: Thank you.

SENATOR RICE: Anyone else for the Reverend? (no response)
Thank you.

Let's see, we have here--

David, why don't you go ahead and speak? And while you are speaking, why doesn't Mr. Art Griffa -- is he still here, from Orange?

Why don't you come have a seat.

Is he still here?

UNIDENTIFIED SPEAKER FROM AUDIENCE: No.

SENATOR RICE: Anyone from Orange here? (affirmative response)

What's your name?

ADEKUNLE JAMES: Adekunle James.

SENATOR RICE: James who?

MR. JAMES: Adekunle James, from Orange.

SENATOR RICE: From Orange?

MR. JAMES: Yes.

SENATOR RICE: Board of Education?

MR. JAMES: Yes.

SENATOR RICE: Why don't you have a seat there and speak?

And then we're going to bring up, after that -- and I'm just giving you some roll call--

You can sit right there at the mike. You can talk after the gentleman.

Right after that we're going to have Judy Savage and Andre Sayegh.

Is Andre still here, from Paterson? (affirmative response)

And then, after that, we're going to have the NAACP, since they're bringing two people up, and then we'll get the rest of the list after that. I'm just setting some order up here.

Make sure, when you speak, you state your name into that microphone. The small one is for the record. You're being recorded up here. So anything you say can and will be used-- No, I'm just kidding. (laughter) Anything you say gets recorded, and then a transcript is being transcribed. Okay?

Go ahead, Dave.

S U P E R I N T E N D E N T D A V I D A . M O O I J : Senator Rice, thank you very much.

My name is David Mooij. I'm the School Superintendent for the Neptune Township School District, in central Monmouth County, along the East Coast, just south of Asbury Park.

I think it's probably fitting to follow the Reverend. I was reading my personal devotions this morning. I was in the book of Proverbs and also in the (indiscernible) the Minor Prophet Amos. And I came up with an acronym, and it was E-A-R -- ear -- hearing, listing -- the acronym

for me was: *E*, expectation; *A*, anticipation; and *R*, realization. And that is something that has happened for the Neptune Township School District in a secular sense.

Our school district singularly has completed the entire Long-Range Facilities Plan. We're excited about that. And that's good news for this Committee, that's good news for the SDA, that's good news for the Department of Education. We're here to share that good news in the spirit of Thanksgiving; this time of the year, we're here to say thank you as well.

We thank Scott Weiner; we thank Jerry Murphy, the COO, who has been with this district and SDA almost from the beginning. And we welcome Kris Kolluri. I believe that if the EAR analogy is carried forward with this Committee, with SDA, DOE, and the districts, much will come out of this new round of funding. And that's exciting.

I would also like to acknowledge the past help of retired Assemblyperson Craig Stanley, who was here earlier today.

Neptune has the unique experience of having had a design-build project. It is the only, to the best of my knowledge, project that was design-build through the Authority. The expectation back in October 2000, when Caren Franzini, Executive Director of the EDA, came to visit Neptune, was that there would be delivery methods that met with industry standards in the way of delivering schools to school districts efficiently, quickly, and cost-efficiently.

Neptune has a project known as the Summerfield School. And that project, Senator Rice and Committee, is open for inspection, for demonstration, for visit. We made that promise to State legislators four years ago, and we're here to reiterate that promise today. If someone would

like to come and experience what design-build can achieve, we have a demonstrating, living example.

Some things that were said this morning that are very important to talk about are the Green Schools Initiative in New Jersey, but more importantly the Green School Initiative that President-elect Obama has talked about as a new economy for American jobs. The stimulus package, as we listen to the call for Detroit -- for money for Detroit -- has taken on a green aspect. Many industries have already been advertising the fact that they are green. SC Johnson Wax -- better known for many of their wax products and home care products that they produce. There are dollars in it. And where there are dollars, there are jobs.

So I would encourage this Committee to partner -- as has been asked already, and mentioned that there are partnerships available -- to work on this green job initiative. Freeholder Barbara McMorrow, who will most likely be the Freeholder Director in Monmouth County this January, is sponsoring a press conference in Neptune next December 8 -- I believe that's Monday or Tuesday of next week -- to ask-- And I believe, from what I've been told, that around America, legislators and local politicians together are going to unitedly ask President-elect Obama to make that part of the initiative -- the anywhere from \$700 million up to a trillion dollars that was discussed in Philadelphia just recently. So this Committee may wish to take part in that.

The green schools that we have -- the green -- and there are two, one which was design-build and one which was traditional bid-build -- have produced for New Jersey distinguished LEED rating scales. The United States Green Building Council has a rating scale for energy and efficiency.

The Summerfield School was the first public school in New Jersey to achieve gold status. Our Midtown Community Elementary School is registered for platinum status. And if in the next two to three months, as it is evaluated, it achieves that status, New Jersey will be singularly distinguished in having a LEED platinum school, the only one in North America. That's exciting. This Committee was part of making that happen, and we thank you for it.

I am part of the Urban Superintendents Council. We meet once a month to discuss urban issues amongst 150 schools. One of the concerns that was brought at our most recent superintendents' roundtable was a concern by districts who are urban but are not Abbott. They have great difficulty passing their school budgets on an annual basis. And those superintendents, representing their board issues -- board members, excuse me -- have expressed the concern that if they can't pass a budget, how will they pass a referendum? And if they couldn't pass a referendum, how would they have access to that additional \$1 billion?

It was suggested there, and I'm suggesting here today, that back in, I would estimate, 1997 or 1998 -- up until 1997-'98, there was a process through the Department of Ed and through legislators -- legislation that allowed for something called *lease purchase*. Lease purchase would allow a district that typically cannot pass its school budget for any host of a number of reasons -- it would allow them, with their board of education, to approve the lease purchase under revised guidelines and then have access to that money.

It is important that the Governor's initiative-- And although our District doesn't wholeheartedly support money following individuals --

because we feel that it's very difficult to track where those individuals are, to make sure that the money gets to that particular child or those particular children -- we do support the initiative that urban schools need more school funding and that there needs to be parity with the districts that can afford, quite frankly, to support their own initiatives.

This would be one method -- and this is a method that, quite frankly, is controlled by the Legislature. The Legislature put lease purchase into play. The Legislature took lease purchase out of play. And, again, I would refer to probably the time about 1989. I know that approximate timeline because Neptune was one of the last to be able to get a lease purchase through. So that's a means and method to help approximately, Committee, another 150 school districts to gain access to the money, to give the voice of great need.

I would like to extend to the Committee the offer to come to Neptune.

Senator Rice, we've been before you many times and you've been very gracious, along with your Executive Director and Chief of Staff, to give us time to come before you to, at times, share concerns of ourselves and sometimes of our neighboring districts. Neptune has a number of different beautiful venues, wonderful venues, that we would love to share with you.

And in closing, I would just offer that our buildings are 3-D textbooks. They were built with curriculum in mind. We have coined a phrase called *Live Event Learning*. And there are Live Event Learning activities in this auditorium as we sit here today. I'm a physical education teacher with a biology certification as well. I have a very strong interest in

science and scientific principles. As I look around this room, I see fulcrum and leverage examples, I see pulley examples. I feel the effects of cubic volume, HVAC moving. These are all scientific principles. These are all potential math problems that, if a curriculum were written for a facility -- a green curriculum -- the facility itself could be a Live Event Learning experience and/or a 3-D textbook.

We presented, at the School Boards Conference in Atlantic City most recently, our green schools curriculum, and that's available on DVD. We've shared it with the Department, we've shared it with SDA. And many of the things that have been done in the Neptune Township schools that made them green can actually be -- address curricular/cross-curricular needs of our students: science students writing, therefore exercising language arts skills; TV production students using language arts skills, public speaking skills, and demonstrating scientific principles.

We offer this to you, and we offer it to any other district that would like to avail themselves.

Thank you, Senator Rice.

Thank you, Committee.

SENATOR REDD: Thank you for coming this afternoon and for your patience.

Are there any questions for our presenter? (no response)

If not, we'll move to the next gentleman.

We'll just ask if you can keep your comments possibly to five minutes, because we need to wrap up by 3:00 p.m.

State your name for the record.

MR. JAMES: Thank you.

I appreciate your effort.

On behalf of the Orange Board of Education, I'm the School Business Administrator. My name is Adekunle James. That's spelled A-D-E-K-U-N-L-E, last name is James.

Unfortunately, Mr. Griffa, whom Senator Rice knows very well, was supposed to be here to present on behalf of the Orange Board of Education. But he is not here today because he is out ill. So I'm here to represent the District, just to voice our concerns and thanks at the same time to Senator Rice and his Committee, and the Schools Development Authority, and DOE for the efforts made so far to help obtain this second round of funding in which Orange is benefiting out of this funding and second funding round.

The Cleveland Street School, in Orange, is one of the schools that was approved out of the second batch of projects, which is the 52 projects. And prior to that, we had approval for two ECCs -- that's early childhood centers -- as part of our District's longer (indiscernible) plan.

But when this second round of funding came about, we found out that the two ECCs were taken off our list. And those are our two major priorities before Cleveland Elementary School. So I believe, based on SDA's comments -- was that the ECCs were taken off our priority list, or moved down on the list, because of the cost-efficiency situation that you guys are trying to -- or that SDA is trying to implement to reduce costs of facilities.

That's all well and good. I believe, and Orange believes, that ECCs have been SDA's bigger priorities. So we encourage SDA -- and we

want to applaud you, Senator Rice, and your Committee -- to implement this ECC program to make sure they're brought back on the top of the list.

In Orange, the Cleveland Elementary School was cost evaluated to be reduced in the specs. The initial drawings were made, and now SCC is saying-- I mean, SDA is saying, because they have to -- going to this cost-efficiency program, they have to reduce the specs of Cleveland Elementary School -- and by adding about two or three ECC classrooms into the original design, so that would change the design. And now by doing that, that will move the Cleveland Elementary School project way back. Maybe it will start around 2010 or 2011, instead of probably done now.

Also, out of the old money, we have two schools that are being renovated right now -- an addition being built. That's Park Avenue School and Lincoln. And those students are being swung into vacant parochial schools like Our Lady of the Valley and Mt. Carmel building in Orange. Those are vacant buildings.

The projects for Park Avenue and Lincoln will be completed -- Park will be completed in February of 2009, and Lincoln is expected to be completed in September of 2009. If Cleveland is not put on the next list, where are we going to get the space to swing the students from Cleveland if those two available spaces, right now, are not being acquired by SDA or being made provision for? Because the lease will be up in February for Mt. Carmel, and the next lease for Our Lady of the Valley will expire in September, I believe. So if Cleveland is not put on the top of the list right now to move on, then we won't have the space. If those two schools are being taken over by other entities-- Because I believe the academy schools

are looking to lease the buildings, or sell them, or do whatever they want to do with it.

But we implore the SDA to look into this issue and make sure that Cleveland Street School is put up on the priority list as soon as possible.

SENATOR RICE: Let me ask you a question. Have they gotten back to you about your request for the priority list?

MR. JAMES: No.

SENATOR RICE: Okay.

MR. JAMES: We had a meeting with the SDA about a month ago.

SENATOR RICE: You submitted it a month ago.

MR. JAMES: Yes, we met with the SDA in Trenton about a month ago. I think that was in October, I believe.

SENATOR RICE: And what did they say to you, basically?

MR. JAMES: Well, they're looking into the suggestion of going back into the Long-Range Facilities Plan, to amend the design of the Cleveland Street School to include two or three ECC spaces -- early childhood spaces -- into that new design. But what I'm saying is that we were approved for two ECCs in the district -- two new buildings. So those two buildings have been taken off of the list, which would provide about 20 classrooms. But now they want to give us just three or four classrooms as part of Cleveland. That will not help us. We need more ECC facilities in Orange.

SENATOR RICE: All right. Here's what we're going to do, for the sake of time.

Mr. James Adams, some of this design stuff comes under your shop?

J A M E S A D A M S: Yes, it does, Senator.

SENATOR RICE: Would you do me a favor? Why don't you come up to the--

I need you to side bar with the representatives from Orange, which is Senator Gill's district, Assemblywoman Sheila Oliver, and Tom Giblin, and report to the Committee as to where we are with the requests. But also indicate to us why such a request had to be made. Tell us why the SDA told them to scale back the space without looking at options that they have or need in the future, such as swing district space and things of that magnitude. Do you understand what I'm saying?

MR. ADAMS: Yes.

SENATOR RICE: Get clarity from him exactly what he's talking about. And through the Chair, get us a report right away.

MR. ADAMS: Yes, the SDA will formally report back to you on the status of the public meeting and of our subsequent follow-up.

And just for your information, we have met initially with all of the districts to lay out what the DOE and the SDA has outlined of the next 52. And with the districts, we have had follow-up meetings because districts like Orange have expressed concerns, both in the projects that are on the list and the timing of them. So we're in the process of getting back to all the districts. But in the interim, we will have a side bar. We will get all the details for you, and I will report back to the Committee on exactly where we are.

SENATOR RICE: Very good. That resolves my questions.

Why don't you get with him, sir?

Does anyone have any questions for the speaker? (no response)

Thank you very much.

MR. JAMES: Thank you, Senator Rice.

MR. ADAMS: Thank you.

SENATOR REDD: We'd like to call up Ms. Judy Savage, along with Andre Sayegh.

JUDY SAVAGE: Good afternoon, Committee members.

Thank you very much. I wanted to thank you for your continued focus on this issue and for all the attention that you have paid today to the issue.

SENATOR REDD: Judy, can we interrupt you for one minute?

MS. SAVAGE: Sure.

SENATOR RICE: Is Andre here? (affirmative response)

Sit up here.

Oh, you have somebody with you?

COUNCILMAN ANDRE SAYEGH: Yes.

SENATOR RICE: Who is that?

COUNCILMAN SAYEGH: He's the President of Paterson Board of Education.

SENATOR RICE: All right. We're trying to go by the people signed up. That's why we're trying to move two at a time. We have to get out of here by 3:40, and I still have the NACCP to come after you, I have some Board members from Irvington, I have some Board members -- I have charter schools, etc.

So you guys may want to just put your heads together while Judy is talking and find out who is going to be the quarterback on this. Okay?

SENATOR REDD: And Judy, if you'd state your full name and organization. And please use both mikes for us.

Thank you.

MS. SAVAGE: Thank you very much.

I'm Judy Savage. I'm the Executive Director of the Council of County Vocational-Technical Schools. And as I stated, I really want to thank you for all the attention that you've paid today to the issues affecting county vocational-technical schools. Your commitment to addressing the facility needs, the educational needs, and your interest in visiting the schools and maybe focusing a meeting on that is really heart-warming. And I thank you on behalf of all 21 county vocational schools. Dr. Pennella, from Essex Tech, was here earlier. And unfortunately, he did have to get back to the district.

In the interest of time and all the attention that's already been paid, I'm not going to belabor the points that have already been made and the points that were made so well by the Essex County Executive.

Instead, I'd like to just focus on the issue of the \$50 million, and the impact of how that's actually playing out for the county vocational-technical schools. During that frantic week in June, when the schools facilities law was being considered by the Legislature, I think I probably tapped every single one of you on the shoulder and tried to get your attention on this issue.

When we saw the bill and saw the way it was written, even though it was ambiguous, we knew that this \$50 million was going to be a problem and that most likely it was going to be interpreted as a limit. And I think it's pretty obvious that \$50 million for 21 counties, that serve 29,000 high school students, and thousands more adult students in the same facilities at night, is woefully inadequate.

In fact, when there was-- There was one opportunity to testify on the bill, at that time, before the Senate Appropriations Committee. And the suggestion that we made at that time was to take out the set-aside for county vocational schools and just put us right in the mix with the regular operating districts. Although the criteria would have to be a little bit different, we should compete for priority funding with all the regular operating districts.

That is not the case. And as we had feared, this \$50 million is being interpreted as a limit. The Department regulations have been mentioned, and we have seen a draft of those regulations, which apparently have been promulgated. And the Department is really trying very hard to deal with a bad situation. They're concerned that a few districts would use up all that funding, and, of course, that is a concern. But the way it's playing out in the regulations is that the Department is putting forward some strenuous restrictions on how that money can be used so it doesn't get used up by a few big projects. And we see a real missed opportunity here.

There are Level 1 projects for county vocational schools, roughly the same as for the regular operating districts. There are Level 2 projects for county vocational districts that are focused on upgrades to

vocational classrooms, to address a new career program or meet industry standards.

But unlike the regular operating districts, there's no Level 3 for a county vocational school to address new construction needs. There's no provision to expand county vocational schools to meet unmet demand, which is kind of our version of unhoused students. There's no provision to help a county vocational school district that wants to convert from that old, shared-time, half-day mode to a full-time mode, which requires adding academic classrooms, gymnasiums, things of that sort. And there's no recognition of the kinds of facility changes that are needed to integrate academics into the career tech programs, which is the direction that the Federal Perkins law requires us to go in and the direction of proposed increases in high school graduation requirements.

So we've raised these concerns with the Department. They've been kind enough to acknowledge that they're legitimate, yet they're trying to find a solution to keep the money from being used up. We find the approach that's in the regs to be unsatisfactory and a missed opportunity.

The Commissioner acknowledged the role the county vocational schools play in providing essential career and technical programs on a regional basis. High schools can't afford to put many of these facilities in their local school districts. And maybe there's an opportunity for all of us to work together and think outside the box a little bit, and to create some significant partnerships, particularly between urban districts and county vocational schools, to leverage the funds that are available, to include some facilities in local high schools where they would be available both to the students in the city and maybe to some of the other residents of

the county. Some of you visited Englewood and saw the kinds of programs there that really leverage resources and draw from a larger base. There's a great opportunity there.

We would hope that there will be an opportunity to take a new look at this law. At the very least, you may want to revisit what the Legislature really intended. Did you intend to limit 21 county districts to \$50 million? And if that was not the intent, maybe it needs to be clarified, or maybe we need to just remove that set-aside and put it back into the hopper.

So we would look forward to working with you on that. If you're interested in visiting a county vocational school and focusing more on these issues, we would really welcome that opportunity.

Thank you for all the attention you've given to this issue today.

SENATOR REDD: Thank you, Judy.

If you have written testimony, you can also submit that to the Committee, and we'll incorporate that in the transcript.

Thank you so much.

Assemblywoman Jasey.

ASSEMBLYWOMAN JASEY: Just a quick comment.

Thank you, Judy.

This is definitely of great interest to me. And perhaps our Committee will be able to schedule a meeting just on this topic, because I think it's a statewide topic. It's a huge issue. And we can't possibly do it justice today. So I would look forward to talking to the Co-Chairs of the Committee and to see if we can do that.

MS. SAVAGE: Thank you very much.

SENATOR REDD: Thank you, Assemblywoman.

Mr. Andre Sayegh.

COUNCILMAN SAYEGH: Thank you.

Good afternoon.

My name is Andre Sayegh, and I am a Councilman from Paterson's Sixth Ward.

To my right I have Dr. Jonathan Hodges, who is the President of the Paterson Board of Education.

SENATOR REDD: Is it possible you can speak on behalf of both--

COUNCILMAN SAYEGH: I certainly will.

SENATOR REDD: Thank you.

COUNCILMAN SAYEGH: I was only acknowledging him.

SENATOR REDD: Thank you.

COUNCILMAN SAYEGH: In the interest of time-- Earlier, Senator Rice alluded to our intention to exchange one project for two. We have four projects that are slated for construction. And we are grateful. They deal with the elementary school issue that has become a burgeoning problem in Paterson. However, there is more of a critical need as far as our secondary school overcrowding situation is concerned. Both of our comprehensive high schools, East Side and Kennedy, are bursting at the seams, and we certainly need to alleviate that situation.

And so what I am testifying today to is the mere fact that if we can address this high school situation, we can also acknowledge that there's a public safety component to this as well. Because there is a site that we have identified as our highest priority. When Scott Weiner asked us to list

all of our priorities, we listed the Boris Kroll site on State Street as being the most preeminent. And the Boris Kroll site is what I would call the epitome of the broken windows theory. It's an abandoned property that is a perennial eyesore and blight on the community. We have senior citizens who reside across the street. We currently have two schools adjacent to the facility. And we have a very vibrant business district only a block away. And constituents have called, and students feel unsafe when they are going to the two aforementioned academies.

The Boris Kroll site's lease will be up in June of 2009, and the owner is very eager to move on this. So that's why we would like to expedite this process, have the project exchanged for the Boris Kroll site, which could house four of our academies that are currently in undesirable lease agreements throughout the city. We can turn this into a campus of learning and then, at the same time, provide these senior citizens with the safety that they deserve; and also, with students in some of these woefully inadequate facilities, the school -- the classroom space that they deserve.

We are very interested in doing this. I can speak from my perspective, representing that Ward, that this is something that we direly need. And we would be immensely appreciative if that exchange could take place. The other site is the old Don Bosco Technical High School, and that could be used for swing space. We certainly are facing a problem of overcrowding conditions that is adversely affecting the instruction that we are providing to children. So I am advocating on behalf of this Boris Kroll site and the Don Bosco site, because it's something we need.

As a matter of fact, this is anecdotal evidence that I can provide. On March 29, 2008, we launched the Abandoned Properties

Identification Initiative. And 50 volunteers scattered throughout the city. And we sent six high school students, accompanied by myself, to the Boris Kroll site. And the first thing they witnessed on a Saturday morning at 11:00 was a drug deal take place. Now mind you, if I can, of course, remind you of what I stated earlier: There's a senior citizen facility, there are two schools, and there is a business district within the vicinity. So this becomes more of a moral imperative that we address this issue as promptly as possible. And we would be interested in, of course, having the SDA come up. They promised us solar panels on some of our schools, and we have 50 roofs that are conducive. This site itself would lend itself to that type of treatment.

And so, once again, I'd like to say that on behalf of Dr. Jonathan Hodges, the President of the Paterson Board of Education, and my colleagues on the City Council, we are extremely interested in assuring that this exchange comes to fruition.

Thank you.

SENATOR REDD: Thank you for testifying on behalf of your municipality.

Have you coordinated a meeting with SDA and DOE concerning this matter and the sites that you would like to see move forward?

COUNCILMAN SAYEGH: I'm sorry, can you repeat that?

SENATOR REDD: Have you had a meeting, or have you coordinated a meeting with the leadership, and SDA, and DOE? Have you had any type of dialogue with either of those two departments?

COUNCILMAN SAYEGH: Yes, we have. And like I stated earlier, that was one of our highest priorities. But unfortunately, it wasn't listed as one that the SDA was ready to move on.

However, we did speak to Kris Kolluri, and there seems to be a change of heart regarding the possible exchange. And from what we understand, on February 4 you will be in Paterson. And I'm sure that there will be others. And we've also contacted our Senator, John A. Girgenti, about this issue, and he has expressed support.

SENATOR REDD: Okay. Very good. We'll follow up with our colleague and see if we can assist you in moving the agenda forward for your municipality.

Thank you, again, for your presentation.

COUNCILMAN SAYEGH: Thank you.

SENATOR REDD: Dr. (*sic*) James Harris and Mr. Richard Barber, of the NAACP.

J A M E S E . H A R R I S: Good afternoon.

SENATOR REDD: Good afternoon.

MR. HARRIS: Thank you very much for the invitation to -- for the NAACP to come and address you. And thank you very much for being in the City of Newark. I am delighted to see folks from Essex County and from Camden County represented today.

SENATOR REDD: If you'd just state your name and organization for the record.

MR. HARRIS: Yes, my name is James Harris. I am the President of the New Jersey State Conference of the National Association for the Advancement of Colored People.

We're here today to express our deep concern about the school construction piece in several respects. And part of that concern has to do with the fact that the NAACP considers education to be a vital civil right. But we've now connected education with the economic development in the City of Newark and others of the 31 Abbott school districts. We are extremely concerned about how we proceed.

As you probably know, in many of the Abbott districts, our students are in schools that are over 100 years old. And this case has gone on, and on, and on. And we believe that things must happen quickly so that the educational rights and privileges of our children do not leave them out of the global economy, which we're obviously in.

We are so happy with the representation that those of you on the panel -- and I recognize you as those folks who spoke eloquently and correctly about the school funding law, which the court now has ruled not to be adequate. And we're so happy that the attempt at the assassination of Abbott by the Governor and the Commissioner, as well as the Attorney General, was unsuccessful. It is extremely important.

You've heard today a bigger concern, and let me just go right down to a major point. As you know, we have the public labor agreements in effect in the State of New Jersey. Those laws say that any of the school construction has to be done by organized labor. The problem that we have, from the NAACP, is many of the labor construction trades are pretty white. Let's be just blunt. They're pretty white. They're not diverse at all.

And we're calling upon you and your leadership of the party. And by the way, we're also here because over 90 percent of the African-American community voted for the Democratic ticket. So we want a return

on our investment and some real drilling down. As I look at the panel this afternoon, I realize we voted for change recently, first in Essex County, then in the State, and now nationally.

The change that we want to recommend is that there has to be some type of flexibility away from the PLAs so that none of the construction moves forward unless and until those unions have made an agreement to have a diverse workforce.

Let me be more blunt. The NAACP is not prepared -- and let me say that: not prepared -- to watch white labor unions drive into African-American and Latino communities and work while our people watch. That is unacceptable. It has to be addressed now.

Our experiences with the unions lead us to believe that once that shovel is in the ground, all you're going to get is apologies for nonparticipation. We need to stop this before it gets to be a political problem, as well as a social problem, because we will not allow construction to take place in our community unless the workforce has some folks who look like those who will be attending the schools.

The second part of this whole thing is that we believe the Department of Education needs to be consistent in how they engage the local boards of education in the process. What we've seen in the past is changing rules and regulations that retard and, in some places, completely abort what the local community is interested in, because of people who don't live in town, don't understand, refuse to talk to the people who have been elected by the local community to represent their interests. We think we can improve upon that.

And finally, let me just say that we are willing -- the NAACP -- we have 40 branches throughout the state. In just about all of the Abbott districts we have branches. We are prepared to partner with whomever to make sure that we move together so that the education development and the economic development go hand in hand. We think that-- And as I understood the Governor's plan for economic recovery, we're talking about school construction, tunnel construction, highway construction. And we just need to stop and get -- make sure that the people who live in our towns in Essex County are intricately involved in the economic process.

Dick will be more specific about some of the things that we've tried to do, and some of the things that we've worked with so far in trying to carry this message forward.

I want to thank you, once again, and I truly appreciate the fact that you're sitting in Central High School, in the Central Ward of Newark, where 40 years ago there was a rebellion. And I, by the way, graduated from South Side High School with one of your colleagues. And the old building is still there, but they've made some major improvements. But we're not there. We don't look like some of the wealthier school districts in the state, and we need to.

SENATOR REDD: Thank you, Dr. Harris.

RICHARD BARBER SR.: Thank you, James.

Senator Redd, and to Senator Rice, and to the members of the Committee, my name is Richard Barber, and I Chair the Economic Development Committee for the State of New Jersey NAACP.

Before I start this short statement, I especially want to thank Senator Rice for his earlier comments on the need for a greater participation of minority businesses in this process.

And, Senator Rice, I would hope those remarks find their way to the Governor's desk.

The mission of the economic empowerment committee is to work with public and private sectors in a strategic partnership to ensure that a fair share of economic benefits accrue to our constituents. The Committee's work is based on the philosophy of fair share and economic reciprocity. When I say *fair share*, we expect a fair share of contracts and a fair share of the workforce.

During these perilously economic times of job losses and layoffs, it's most important that minority business entities receive a fair share of contracts to help, from both the public and private sectors -- in order to help abate the high unemployment in our communities.

One of the disadvantages of being around a state too long -- and I've been here for 30 years -- is that you get a chance to watch administrations come and go. I've seen seven administrations in the Governor's Office in this state, from Cahill, in 1978, when I came to this state, to now Governor Corzine.

My journey in New Jersey started 30 years ago in April of 1978. As Deputy Executive Director of the National NAACP in New York, with Dr. Benjamin Hooks, our National Executive Director at that time-- During my first year in New Jersey, I was most surprised to learn that State government had no minority business program, even though it was 10 years

after President Nixon's Black Capitalism Program and the 8(a) program at the Federal level.

To address this situation, I approached Senator Wynona Lipman and Assemblyman John Watson. At Senator Lipmann's request, I, along with the Office of Legislative Services, drafted the small minority and women's business Set-Aside legislation, which was enacted by the Legislature in the early 1980s. The legislation provided for goals of 15 percent for small businesses, 3 percent for women, and 7 percent for the five minority ethnic categories. Over the last 30 years, both small and women-owned businesses have greatly exceeded their annual procurement goals. Only the minority business entities have fallen short of this annual goal of 7 percent.

One of the greatest tragedies of this State and the minority business program was the decision -- and may I say *unwise* decision -- by the Attorney General in July of 2003, when the race- and gender-based program was set aside. That was a great mistake, and we're suffering from it today. Consequently, we are here today, 30 years later, still addressing this matter of fair share of contracts.

And finally, I want to say we believe that economics and politics are the right formula for progressive communities and profitable minority business enterprise across New Jersey. However, if minority businesses are not included in the procurement formula in an equitable manner, they will be shortchanged in the solution. My hope is that this Committee will make every effort to ensure that these businesses are not shortchanged.

We are prepared for a partnership. And as I indicated, I've worked with -- as a part of NAACP -- from Al McNeil to Scott Weiner. I just met recently, two weeks ago, with your new president. I talked to him again this morning, and very shortly we're going to have a meeting. But we have some serious, serious concerns. And I think if you review your latest annual report dated December 1, you should have those same concerns. But I would suggest you go back for 12, or 14, or 16 quarters. Because there has been very little progress. And for whatever reason, they can't seem to do it right. So I'm going to challenge the new president that I will volunteer to be keeper of the pen that signs the contracts. Because my experience, both at the Federal and State level, suggests that it can be done. But for whatever reason, this State has not gotten it right.

When I was Regional Administrator of SBA, we had an opportunity, and we took it. Because President Carter had a commitment to minority businesses. And I doubled the contracts in Region III out of Philadelphia in 18 months, primarily because I was keeper of the contracts. And those contracts which I did not sign, by those six district State directors and 11 district offices-- If, for whatever reason, they found -- they couldn't find a way to sign contracts to increase women and minority participation, I found a way to remove them to outside their present responsibilities. And I just think it can be done, and it must be done.

I'm looking forward to the meeting with your president. And James Harris and I hope to have that meeting within the next two weeks.

Thank you.

SENATOR REDD: Thank you, Mr. Barber.

I'm not sure if Senator Rice wanted to comment. But you've certainly been here during the public hearing and have heard the concerns articulated from the members of this Committee. And we look forward to working with you to ensure that there are local minority hires and that there are women who are hired on these projects up and down the state. The statistics do not bear out as they should. And for the investment of dollars across the State of New Jersey -- as economic stimulus -- we need to put everyone to work. But we certainly need to put minorities and women to work. Everyone needs to benefit from this economic stimulus package and not be pushed away from the table. So we look forward to working with you in this regard.

MR. BARBER: Thank you so much.

MR. HARRIS: We would hope that you could--

SENATOR RICE: Dr. Harris, you should have received from the members of the New Jersey Legislative Black and Latino Caucus information about the meeting that we had with the Governor and the information we're asking you to review to help address this situation. I know we sent it out to you and to the civil rights organizations throughout the state -- the present leadership council that we created.

MR. HARRIS: We are extremely proud of your leadership.

SENATOR RICE: So that should let you know where we are.

And we have also asked -- it's being worked on now -- that the information that we receive -- that the State take a look at revising their data sheets. Because we'll get percentages. And if you don't know what you're looking at or reading, they're very distorted. You'll think you're doing better than you're doing in some cases. And in some cases you are

doing better than you think you're doing. And so they're confusing. In the urban community, we have to be very clear. When you ride past, you don't see.

The other thing: Prior to your arrival, I expressed to the new executive director that they do what they call *random stops*. Well, a random stop on a construction site, particularly if you're looking for -- on compliance with minority participation, etc., that's something you have to do daily. And we're going to try to develop a system where we can get some cooperation or mandate that the State goes in daily, and work with the cities if they have to, to have affirmative action officers -- if necessary to hire someone. It's worth the expense to have someone to go to every project in that particular town or a couple of towns, depending on how many projects are going on. Because the State continues to throw GR at us as an excuse. I tell them GR isn't an excuse. GR was four white males who challenged us, and going around the country challenging everybody else. That's not an excuse for us not to get cooperation from prime contractors and our labor union friends, who get angry with us because we raise the question after we get the money.

So let your NAACP members know, statewide, that we may be calling on your assistance, as members of the Legislature, if we cannot get some fairness and equity. And that may mean lawsuits that we have to collectively do. So I just wanted to let you know we are on the same page.

But this Committee, the Joint Committee on the Public Schools, shares the same commitment, that I hear from the members, as does the Legislative Black Caucus, Latino Legislative Caucus share when it comes to women and minority participation in this state.

Thank you.

MR. HARRIS: Thank you very much.

SENATOR REDD: Thank you, Senator Rice.

Thank you, gentlemen.

Dr. Ahmed Screven -- forgive me on the pronunciation, I apologize -- and Mr. Richard Williams.

And then afterwards, we're going to have Karen Thomas and Peter Turnamian, followed by Ben Cope and Brian Keenan.

AHMED SCREVEN, J.D.: Thank you for having us.

SENATOR RICE: State your names and where you're from for the record. They're trying to still record over there.

DR. SCREVEN: Yes, sir.

Dr. Ahmed Screven, Irvington Board of Education, Irvington, New Jersey.

RICHARD WILLIAMS: Richard Williams, Irvington Board of Education.

DR. SCREVEN: I'd like to thank the Committee for allowing us this opportunity to come before you. I know the time has been well spent.

I'm just a little bit dismayed that some of the major stakeholders, besides yourselves, are not here, particularly the head of the new SDA, Schools Development Authority, and also the Department of Education Commissioner, Ms. Davy. Because some of the concerns that we have to address particularly will be dealing with that.

SENATOR RICE: Jessica.

Hang on a moment.

J E S S I C A G. D e K O N I N C K: (indiscernible) (speaking from audience)

SENATOR RICE: The directors aren't here, but they left some of their key people behind. Okay?

DR. SCREVEN: Yes.

SENATOR RICE: From both, okay?

And we're being transcribed, so we'll pick up from where you leave off.

MS. DeKONINCK: I'm staying until the end, Senator.

DR. SCREVEN: Thank you. Because it looked kind of sparse in here when we got to this point.

But, again, we'd like to thank you all for having us here. And my part of the presentation will be very brief. I'm here today because of the issue that has been affecting the Irvington School District, particularly the new school -- middle school that was proposed to be built several years ago that fell into disarray.

This morning I was reading the Irvington -- rather, the *Star-Ledger*, and Mr. Dunstan McNichol made a very profound statement concerning the building program. He stated that four years ago, the New Jersey school construction building program was, and I quote, "In a tangle of waste and poor management. Millions of dollars were spent in designing schools without funds." He also went on to state that entire neighborhoods were demolished.

In the community where I live, in Irvington, New Jersey, we have experienced severe educational, social, and economic hardships due to the broken promises, lack of vision, and dreams deferred. On 21st Street,

Standard Place, 22nd Street, 19th Avenue, and 20th Avenue, the SCC bought most of all of the property in that area. And what transpired next was civilly negligent. Some houses were demolished, others were left vacant and unattended. The entire neighborhood was laying in waste because of the lack of construction. And you know, of course, when you leave things laying unattended, all of the negative vices of drugs, and crime, and addiction begin to move in.

In the HBO miniseries named "The Wire," there was a fictional neighborhood with the dubious distinction of being called *Hampsterdam*. Irvington's failed school building program has left that corridor of Irvington with the nebulous distinction of being called the mythical *Hampsterdam*.

As a New Jersey State property taxpayer, I have a vested interest in the education building program for that particular stretch of land. However, due to the lack of any type of activity, I have come before you today as a representative to show you -- and maybe you would like to have these pictures, taking them for part of your record -- of the devastation, of all of the decadence, and all of the decay that has transpired due to the fact that no one has done anything. There are boarded up buildings that are being used for all types of activity with wood that is stamped SCC on it. And there are vacant parcels of land that are just being left vacant. And it's not only become a quality-of-life issue, but it's also become an issue where we want to know what is going to be done.

The reason why I made the statement earlier about the stakeholders being here -- but I'm glad that their representatives are here -- is because we need to find out what is going to be done with this land. Are they going to build the school? Are they going to sell the land? Something

needs to be done. This land has been left vacant for years. And all that it has brought to the Township of Irvington is a tax roll that is not being attended to, crime, and all of the negative vices that come with it.

I'm concerned, when we have these types of situations that take place in urban communities, that no one really cares about our issues and our struggles. We're the last to speak on the program, but we're the first to be given the dubious distinction of being a district that's in need of improvement.

So I'm here today because I'm here to ask for your support and your help. We need schools. In the particular community I live in, there's a school called Grove Street School. And three blocks down the street there's another school called Berkeley Terrace School -- three blocks within each other. Each school has less than maybe 400 students. There could be a new school in that same parcel of land that could be built to house all of the students in that particular area. Please, ladies and gentlemen, help us in the Township of Irvington.

I'm going to turn it over to my colleague, Rich Williams.

MR. WILLIAMS: Good evening.

I'm Richard Williams. I'm a first-term member of the Irvington Board of Education.

I want to thank you for having the session today. It has been very enlightening. As a matter of fact, a great part of my education-- I'm very pleased that I did not miss this, because this is really great.

My concerns happen to be with the same things that Dr. Screven was just talking about. But if I had to put one word in it to sum up

everything that I feel, it would be about *judgement*. On the State level and on the City level, very bad decisions have been made.

Since this session is being taped, I don't want to be sued. I'm going to make up a 10-second fictitious story. And this is about a person who is an administrator, government official, who wanted -- who nominated, rather, their friend to be in charge of homeland security. And this person who was nominated had no experience.

Now, this is a fictitious story. Let me say that again. But if it were a real story, it would point out something on the State level that is downright scary.

Now, on the local levels, when things begin to happen-- Senator Rice spoke about people trying to get their fingers in the pot a little earlier. Now, that's another concern. But when it comes to judgement, it is important that good decisions are made. At one time, the SCC represented the hope of the future. At present, what does it represent?

Now, today, I come here and I'm listening to you talk about the SDA. This is the second wave of hope. I really hope that the SDA does the job that it is supposed to do so that we can get what we want.

We are going to be making applications in order to have schools built in Irvington, because I think we have a few that are almost old enough to be schools that my mother went to -- not quite. But I do know that these old schools are not efficient. The heating systems are bad. Everything is bad. And the maintenance costs are very high as a result of the aging schools. And it's important that we get some state-of-the-art schools, such as Central High here. I remember Central High from the old days. And when I walked in today, I could not believe this facility.

SENATOR REDD: Mr. Williams, could you wrap up your comments? You're close to going over five minutes, if you will. And we still have a few speakers we need to get in, if you don't mind. If you could just summarize really quickly.

MR. WILLIAMS: I shall do so, ma'am. Will do.

I would just say that I hope that this Committee and the SDA does the job that they're supposed to do so that we can move on, and there will be peace. Because one of the problems we've had is, we've had very bad -- how should I say this -- we've had some very bad experiences with school construction in our particular community.

Thank you for the time.

SENATOR REDD: Thank you, sir.

Thank you, both.

SENATOR RICE: Let me, if I can, real quick: Dr. Screvens, Mr. Williams, thanks for coming out. Let me also assure you that you were not towards the end -- that wasn't the intention to do harm to your testimony. We look at the list here and try to place people, and try to get the others out first. But we hear you loud and clear.

If you recall, we thought that, at one point in time, all those buildings would be knocked down, areas would be secure. Because when people were living there, we had a lot of the same problems. That never happened. We had the same problem on Leslie or Wainwright Street in Newark. Then everything just went on hold from the SCC, period.

We like to think, under SDA, that "we're back on track" now and that the new team, if you will -- at least the leadership -- new coaches on board. But what I need you to do, from the Board's perspective --

because I drive past, as you know, on a regular basis to see the neighborhood. And I get angry every time I get barricaded and I see what's going on. I need you to make sure the Board drops me a note. I need to ask Mr. Adams--

James, I need you to get with Dr. Screven and Mr. Williams, from Irvington. Because prior to you going -- when you were the engineering director in the City of Newark, and we were knocking down buildings up in the South Ward -- Hawthorne -- we were supposed to be knocking buildings in Irvington down too. It got put on hold. They took the people's properties in some cases, purchased the properties in others. And at least I can say, on the Newark side the buildings I got down. So the lot is fenced in. We don't have a school, but the lot is fenced in. There's grass and something there now, so it's maintaining some reasonable degree of decency in the neighborhood.

In Irvington, one thing that needs to be done is leverage those buildings. We cried funding before. We just passed funding. The Governor said he wants to put people to work. Here's a good way to put them to work. Let them knock those buildings down and fence them.

The other thing, just for Dr. Screven and Board Member Williams, is that the Mayor and I, as you know, and the Council, don't communicate as much as we used to. It used to be every day. Now I very seldom hear from them. And you know I'm not one for chasing somebody around when I work hard in my district. They used to be lying about that. You can think what you want about that, but I work hard at what I do.

But the Mayor and I did have some conversations recently, because I told him we need to start communicating again so we know

what's going on so I don't have to hear it from the people. The Mayor has some projects going on, and there's a question mark as to if, in fact, something is not going to happen, or if, in fact-- I understand there may have been a transition in terms of what your school needs are, who should go, where it should go, etc. So you may want to talk to him, because there was talk, Jim, about talking to the State about maybe swapping some land or releasing some land. I'm not sure what that's all about at this point.

So that's just to give you an update and let you know we have been talking.

Just talk to James when you leave. Okay?

DR. SCREVEN: Thank you, Senator.

MR. WILLIAMS: Thank you.

SENATOR REDD: Thank you.

Is Brian Keenan available? (affirmative response)

Brian, can I call you up to give public testimony? And can I ask if, in the interest of time -- and this is with the consent of Karen, Peter, and Ben -- if you could speak on behalf of the charter schools? I see you represent the New Jersey Public Charter Schools Association.

B R I A N K E E N A N: (indiscernible) (speaking from audience)

SENATOR REDD: Okay.

K A R E N T H O M A S: Good afternoon.

I'm Karen Thomas, and I'm on the Board of the New Jersey Charter Public School Association, and I am also the CEO and one of the founders of the Marion P. Thomas Charter School, here in Newark.

More importantly, I'm just a kid from Newark and now an advocate for children from Newark, and particularly charter school children.

My school is a community initiative of the New Hope Baptist Church, which was founded here in the Newark community and has been here for over 105 years. Like many of the operating charter schools across the state, there has been a major investment on behalf of faith-based organizations and other community organizations to support facilities and the operations of charter schools. Organizations like Bethany Baptist Church, WISSOM, New Community, and the North Ward Center have spent millions of dollars to start and sustain charter schools. So clearly there is strong community-based support and interest for our schools.

This is a tremendous leadership example by the constituents. And our concern and our request is that the State would look at creating equity for facilities money for charters. Our original plan at Marion P. Thomas Charter School was to open our doors in 1998 when we received approval for our charter. However, facilities' challenges delayed the opening. We opened in a small building in the North Ward Center at a tremendous cost of over \$100,000; within a year, outgrew that space; moved to the Central Ward, renovated yet another property that we did not own, and then outgrew that space within four years; and moved yet to another space. In all, we spent over a million dollars on improvements and rent to properties that now have been vacated by Marion P. Thomas. Each move has caused a shift in student population, which has affected enrollment and schoolwide student achievement, as well as our inability to meet the 60 percent educational expenditure mandate by the State.

Had there been facilities funding as part of the original charter legislation, we could have spent that same million dollars directly in our classrooms and not on facilities that we no longer occupy.

Elected officials such as Mayor Booker and the Newark City Council have worked with many of the charter schools here in Newark to attempt to address the facilities challenges of the city. They've identified some space within existing school buildings or vacant parcels of land to be developed into usable space. In addition, organizations such as READS have created creative partnerships with financial institutions such as New Jersey Community Capital, Prudential, and the Reinvestment Fund to assist with facilities needs across the state.

As a result, in addition to providing quality education, charter schools are also helping to develop communities here in our state.

It seems that with this level of commitment to both education and developing our communities, your constituents are putting their money where their mouth is. And we would encourage the New Jersey Legislature to not only follow this lead, but to lead this charge.

This goes directly to, really, the heart of the school funding inequity issues that were inherent in the Charter School Act of 1995. This is the very law that created charter public schools as engines of educational innovation and that were charged to spur innovation and education in areas where it was most needed.

The legislative intent of the law was to improve student learning by expanding educational choice, in exchange for increased accountability. The law also said that charter schools would only receive 90 percent of what the traditional public school districts would spend on that child if that child were not enrolled in a charter public school.

How can we have a statewide system where dedicated educators lead students to achieve academically, despite great odds, and with

thousands of children on our waiting list, and families who are interested in having their children in charter schools? And several of my parents have come today, and I thank them for kind of waiting it out today because of their interest in this issue.

SENATOR REDD: Ms. Thomas, you have 30 seconds. Please give us your concluding statements.

MS. THOMAS: Okay.

There's nothing wrong with the way charter schools operate, but something terribly wrong with the way public charter education is funded in our state. Charter schools are focused on reaching children in dire need of educational opportunities. Ultimately, the State charter school law must be changed to address the glaring inequity under which charter schools must pay for facilities out of their operating budgets.

The issue really rests in the hands of our legislators who have the power to -- and have the power to correct this injustice. So we encourage you to please consider fixing the unbalanced equation and equally address the needs of charter school children and their traditional public school peers throughout the state.

Thank you on behalf of charter schools not only here in the city, but across the state.

SENATOR REDD: And I thank you for your patience today in waiting to give your public testimony, and testifying on behalf of those who were actually waiting to give their remarks on the record.

What we would like you to do, because I see you have a written testimony-- If you could submit that to Melanie Schulz, we can incorporate that into today's transcripts.

MS. THOMAS: Is there-- Also, I don't know if anyone else who came had something written and it could also be--

SENATOR REDD: Yes, we'll receive that as well. So for the others who were not able to make it in this session because of the interest of time -- and we need to conclude -- those written comments can be submitted to us, and we will incorporate--

And with that, I'd like to turn the Chair over to Senator Rice for concluding comments.

SENATOR RICE: I just want to say this to the last speaker. I think that the charter school people -- and Ms. Thomas knows me. The intent was never to have State money to actually construct private schools or quasi-public schools, whichever way you want to put it. The whole idea of a charter school -- if you're honest about it, in its inception -- was in the (indiscernible) of a young lady who felt that she wanted to try something different. If, in fact, the model she tried differently worked, it would go into the public school system as another way of doing things, maybe like Science High or whatever.

Since then, it was off-tracked. So the lady left the movement. The voucher people that Mayor Booker talked about have hid behind it. The whole idea-- When CHAD School was here, State government would never give CHAD -- and that was one of the best schools around. Those kids are doing very well, went to college, and they raised kids. We could never get dollars for State government if it was called a private school. African-American School on South 10th Street--

Well, we have other schools -- the same thing. When the Archdiocese came to the State 20-some years ago and said, "We don't want

to spend our money. A lot of these students in here are Baptist and every denomination. We want your money from the taxpayers,” we said, “No, separation of church.” Fortunately or unfortunately, legislation at the Federal level -- a lot of political reasons, and money people behind it -- and I can name those organizations -- Manhattan Institute and everybody else. As a result of that, they decided to go to grassroots people and started to convince them to do this charter thing, and they brought some money in.

Charter schools, in many instances, work individually. Across the country, there's not the best reading -- no different than public schools. But if, in fact, the State was to take the dollars that we raise on the capital side and say, “Okay. We're no longer going to build what we know traditionally as the public school structure, but we're going to use the money for quasi-public schools, quasi-private schools,” then we don't need the public education. And the whole movement since the 1950s -- by the far right, and the Booker people, and the Freemans, and everybody -- was to privatize public education.

And so we do support education. At least I do, and others. I support charter schools that we have in place. I want to see them work. I think we're giving out applications like water. I've said that over and over. There should be a moratorium so we can test these things out. We know that the Marion Thomas, and the North Stars, and the Steve Adubatos, and the Robert Treats -- they do very well. But we can also give you a list of the majority who do very poorly and don't even get started.

And so as we fight during these hard economic times for dollars on the capital side, it's going to be very difficult to support dollars for structures, etc., for charters or any other types of schools right now. We

have to get this other piece right. It does not mean-- And I always felt that we could do charter schools in the public schools. If you talk about a model of education, then I think that what we have in place now can work with those models.

We have some people taking over charter schools because they don't want to work for anybody, and they think they can make a lot of money, and they never get started. I know. I've dealt with these people personally. So I'm not-- I know them.

We know some who never had a place to go. The State was saying, "Yes, yes, yes," and they never even opened. I recall where they relocated 300 students, under Marion Bolden's leadership, primarily because the charter school got an application, claimed they were going to get the place, and never got the place.

We're just fortunate that your school is doing well and will do well because of what it represents, who it represents. We'll help where we can. But from my perspective, since it's my district-- And everybody knows me, so my colleagues don't have to get beat up. I don't see any capital dollars moving in that direction right now. I do see us continuing to track the dollars. Some people have a problem with that -- let the dollar follow the kid into the charter.

But that's where we pretty much are right now. And I've had this discussion, not with you, but with your charter people throughout the state. They make all the meetings. And I just try to keep the record clear so they can't say that I said it the way they articulate it sometimes.

So I want to at least say that.

SENATOR REDD: Thank you, Senator Rice.

Thank you, Ms. Thomas.

I'd just like to, on behalf of the Subcommittee, say thank you to everyone who participated in today's public hearing, and in particular to both Sharon and Melanie who worked very hard to staff us and to make sure that everything went smoothly.

Again, it's a very important issue. But I'm preaching to the choir.

And again, I just want to say thank you to both young ladies and wish everyone happy holidays.

With that, I'll call for a motion to adjourned.

SENATOR RUIZ: So moved.

SENATOR RICE: Second.

(MEETING CONCLUDED)

APPENDIX

New Jersey Council of County Vocational-Technical Schools

Joint Committee on the Public Schools – Subcommittee on School Facilities
Testimony Presented by Judy Savage, NJCCVTS Executive Director
December 3, 2008

Good afternoon, members of the Joint Committee. Thank you for your continued focus on this critical issue and for the opportunity to speak today about the facilities needs of county vocational schools. On behalf of the NJ's 21 county vocational-technical school districts, I thank you for your ongoing support of career and technical education and your interest in visiting one of our county vocational schools in the near future.

County vocational schools were allocated \$100 million from the first round of funding. County vocational schools have a different process through freeholders and board of school estimate – this set aside was intended to ensure that vocational schools were not left out. It was not intended to limit them to an inadequate amount.

Most of this funding was committed by May 2004, and at that point, the Department of Education cut off grant funding for all further county vocational-technical school projects. Seven of 21 counties had received little or no funding through the program. Funding for Abbott and non-Abbott districts continued to flow for several years after that.

This has limited the ability of many counties to address workforce development and educational needs. As you heard from the Essex County executive, the need is especially great in urban counties, where the vocational school facilities are outdated and overcrowded, and many Abbott students seeking educational and job training opportunities must be turned away due to lack of space. The Council concurs with the Essex County Executive that we must address the disparity in school facilities funding between Abbott/SDA districts and the urban vocational schools who serve the students from these districts.

The county vocational schools were extremely disappointed that the new school construction law introduced and moved last June set aside just \$50 million for county vocational schools. We recognize that the overall amount of funding was limited and not all important needs could be addressed. But when you think about \$50 million to be shared among 21 county vocational school districts, the inadequacy is obvious. The amount for 21 regional county vocational districts serving 29,000 high school students and thousands more adults in the evenings is **substantially less** than the amount spent to build this one beautiful high school.

The language and structure of the set aside for vocational schools in Chapter 39 is quite different than the language in the original law, but we were concerned that the \$50 million would again be interpreted as a limit. I spoke to many legislators during that frantic week of June and at the one testimony session I asked the Senate Appropriations Committee to eliminate the set aside so that the \$50 million would not be construed as a limit – one that we know is inadequate from the

start. Although the priority criteria would have to be different, we recommended that county vocational schools be considered alongside the RODS for facilities funding.

Although the language in the bill is ambiguous, the Department of Education is considering the \$50 million to be a limit on the amount of funding for county vocational school projects. Recognizing the inadequacy of this amount, DOE is promulgating regulations that will limit the types of vocational school projects eligible for funding.

Under the draft rules shared with us last month, county vocational schools have only 2 priority levels, not three like the other RODS. Level 1 is for health/safety, maintenance and other critical projects, similar to regular districts. Level 2 is for upgrades or expansion of vocational classrooms to accommodate new career programs or keep existing programs current with industry standards.

Unlike RODS, county vocational schools have no Level 3 for new construction. There are no provisions to expand county vocational schools to address unmet demand – our version of unhoused students. There is no provision to help districts convert from shared-time to full-time, which requires either new construction or significant expansion to provide academic classrooms, gymnasium and other essential elements. There is no recognition of the facility changes needed to integrate academic and technical learning as required by the Perkins law and proposed increases in high school graduation requirements.

We raised these concerns with Department of Education's Chief of Staff. They were acknowledged as legitimate, but DOE is concerned that opening the door to larger projects will result in a few districts tapping all of the available funds, which would be unfortunate. That is indeed possible, but the Solomon-like decision to curtail what can be funded in an effort to spread the money further is also unsatisfactory.

We would recommend that the Legislature take another look at the law. If you did not intend to limit 21 county vocational school districts to a total of \$50 million, then this provision should be clarified so that the intent is clear. You may also want to consider a provision that would allow districts to use a hybrid of funding – a grant for part of the cost of a project, plus debt service for the remainder of the cost. This might provide an incentive vocational and regular operating districts to address longstanding needs in uncertain times.

Thank you for the opportunity to speak today and for your continued support of the school construction process. We recognize that the available funding is not sufficient to address the many critical needs throughout the state. As New Jersey grapples with an uncertain economy, we ask you to consider the substantial returns from an investment in county vocational school facilities. Students throughout the region benefit from educational options and the chance to prepare for college and a career. Employers profit from partnerships that provide a steady supply of well-prepared workers, helping our statewide and regional economies to grow. And taxpayers benefit from the cost efficiencies inherent in providing specialized programs on a regional basis.



Submitted by Karen Thomas Marion P. Thomas Charter School

Newark, New Jersey

December 3, 2008

Good afternoon, I am Karen Thomas, a kid who grew up in Newark, and is now an advocate for kids from Newark. I am a long-time member of New Hope Baptist Church here in the City, former business owner in Newark, and currently CEO of Marion P. Thomas Charter School in Newark. My school is a community-supported initiative of The New Hope Baptist Church which has been active in this community for over 105 years. Many of the operating charter schools in the state have also been the outgrowth of support from faith-based organizations like Bethany Baptist, WISSOM, and strong community organizations such as New Community Corporation and The North Ward Center. They have spent millions to support the charter school movement.

Clearly there is a strong community interest and support for the charter school movement among your constituents. These organizations have provided millions of dollars in much needed facilities support to charters. Without it, many of our schools would not have opened or been sustainable. Based upon that level of support for the charter movement, I would think that the legislative bodies that represent these same constituents would become advocates for facilities funding for charter schools. These organizations have set a tremendous leadership example that should be followed by the state with equity in facilities funding for charters.

The original plan for Marion P. Thomas Charter School was to open in 1998 upon receiving approval of the charter. However, facilities challenges delayed the opening until 1999 when the school opened in the North ward in a 4 classroom preschool building that we renovated at a cost of almost \$100,000. Having outgrown that building within the first year, the school then moved to a Central Ward facility located in the Hopewell Baptist Church. This site was an old Hebrew School that had not been used in more than 40 years. Once again, the school had to take over \$250,000 from our operating budget to pay for renovations. Outgrowing that facility, in 2005 the school moved to 370 S. 7th St. the site of the former CHAD School. The building which was a high school had to be converted from a high school to an elementary school facility at a cost of over \$250,000 to meet our needs. Our only other option would have been to close.

We have spent more than \$1,000,000 for improvements and rent to properties now vacated by MPTCS. Each move has caused a shift in the student population which has affected enrollment and school wide student achievement as well as the inability to meet the 60% educational expenditure mandate. Had there been facilities funding as part of the original charter legislation, we could have spent that same \$1,000,000 in direct educational expenditures for our children.

Elected officials such as Mayor Booker and The Newark City Council have worked with charter schools to attempt to address the facilities challenges in the City. They have



Charter School Facilities Testimony

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identified space within existing school buildings or vacant parcels of land to be developed into usable space. In addition, organizations such as READS (Real Estate Advisory Development Services has created financing partnerships with New Jersey Community Capital, Prudential and The Reinvestment Fund to assist with facilities needs across the state.

As a result, in addition to providing quality education, charter schools are helping to develop the communities our elected officials serve.

It seems to me that with this level of commitment to both education and developing communities that your constituents are putting their money where their mouth is. The New Jersey legislature should not only be following their lead, but leading the charge.

This goes to the heart of school funding inequity issues and to the Charter School Act of 1995. This is the very law that created charter public schools as engines of educational innovation that would spur achievement, especially in cities where schoolchildren were most in need of educational opportunities. The legislative intent of this law was to improve student learning by expanding educational choices and innovative learning environments in exchange for increased accountability. The law also said charter schools would receive only 90 percent of what the traditional public school district would have spent on that child if the child had not enrolled in the charter schools.

How can we have a statewide system where dedicated educators lead students to achieve academically despite great odds, and where thousands of children are on waiting lists to get the kind of educational opportunity that charters provide and yet not provide facilities to house this remarkable pursuit of excellence?

There is nothing wrong with the way charter schools operate, but something terribly wrong with the way public charter education is funded in our state. Charter schools are focused on reaching children in dire need of an educational opportunity. New Jersey must fulfill its moral obligation and constitutional imperative... Equity. Operating on a fraction of what their peer districts spend, charter schools are being forced to make painful decisions about what they are able to fund. It is a dangerous triage with our children's education. This can't be what legislators intended when they brought charter schools into existence. Ultimately, the state charter school law must be changed to address the glaring inequity under which charter schools must pay for facilities out of their operating budgets.

Under the new school funding formula recently signed into law by Governor Corzine, it looks like charter schools will receive some additional operating funds. However the rising cost of operating facilities will continue to have a neutralizing affect on the increase. But charter schools continue to be deprived of facilities funding that all other public schools receive in the state. Unlike traditional public schools, charter schools are forced to use per-pupil operational funding to lease, purchase or renovate their buildings,



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thereby reducing the amount available for classroom needs, innovative programs and supplemental services.

Charters schools must have financial support for facility acquisition. There are two ways we can do this:

- By providing free money at the same terms that is provided to other public school districts in New Jersey or
- By supporting organizations such as Real Estate Advisory Development Services that has undertaken and completed more charter school projects in New Jersey than any other organization in the country. Provide them with the money they need to build their capacity to support charter school facilities projects.

Free money would of course be the best thing. The fact that charter schools, especially those in Abbott districts, continue to be excluded from facility support is incomprehensible to our families and staff and this is discriminatory public policy. It excludes charters from equal access to resources available to district schools, and distorts the market by inflating school renovation and construction prices, making it even more difficult for charters to pay for facilities or renovations.

In the absence of free money, supporting third party resources such as READS or New Jersey Community Capital is the next best thing. They have invested enormously in New Jersey's charter schools and have successfully leveraged its resources by partnering with other organizations.

The issue rests in the hands of our legislators, who have the power and obligation to correct this injustice. Let's fix the unbalanced equation and equally address the needs of charter school children and their traditional public school peers throughout New Jersey.

Thank you on behalf of the thousands of children in this state who attend charters, the thousands who are on our waiting lists and their families.

Testimony to the Joint Committee on the Public Schools - Subcommittee on School Facilities and Construction, December 3, 2008

Submitted by Ben Cope on behalf of TEAM Academy Charter School

Good morning, members of the Joint Committee on the Public Schools. Thank you for this opportunity to present on behalf of TEAM Academy Charter School and public charter schools throughout New Jersey.

My name is Ben Cope, and I am the Director of External Relations for TEAM Academy Charter School, which operates three campuses serving over 750 students here in Newark in grades 5-10. I am here on behalf of Ryan Hill, TEAM's founder and Executive Director and on behalf of our 750 students and over 100 staff members.

Back in September of 2002, a ten year old girl from Newark named Kinyette climbed the steps to TEAM Academy for the first time. The school had recently opened on the top floor of a somewhat run-down former parochial school in Newark's South Ward. What the facility lacked in grandeur, the fledgling charter seemed to make up for in promise. The teachers had visited every home of every student before the school year and explained that the expectations would be exceptionally rigorous, and that their goal was for every student to go on to college in the year 2010.

That first year, Kinyette and her 79 classmates made extraordinary progress in spite of studying in classrooms where the wind sometimes pushed right through the windows in the wintertime. And where, when it rained, there were more buckets than desktops. They studied, ate lunch, met as a school and bonded as a TEAM on one narrow hallway. There was no gym that first year, no cafeteria, nothing really but desks and blackboards in a few sparse, cold classrooms.

Four years later, the struggle and perseverance had paid off. Their class climbed from the 21st percentile to the 73rd percentile in reading and from the 31st percentile to the 91st percentile in math on the nationally-normed SAT-10, closing the achievement gap in four years of middle school while many of their peers fell farther behind. They earned over \$600,000 in scholarships to attend some of the top boarding, private and parochial high schools in the northeast and here in Newark.

Today, Kinyette is a junior at St. George's in Newport, Rhode Island. When I went to visit her a year ago I was blown away. From these leaky classrooms on the south side of Newark, Kinyette had fought her way onto a grassy hilltop overlooking the ocean at a boarding school that cost over \$30,000 a year. She had earned a full scholarship, was acing her classes and starring on the track team. And today she is planning on applying to Brown University, Amherst, and NYU among others.

This is Kinyette's story, and the story of hundreds of Newark students who are attending some of the most academically rigorous public charter schools in the nation, right here in Newark. They are reversing the achievement gap, defying the odds and laying the groundwork for thousands more young people from Newark and cities like Newark to follow in their path.

Despite the tremendous promise of the paths these young people have chosen, TEAM Academy faces daunting challenges finding and paying for the buildings we need in order to provide more seats to Newark children. And TEAM Academy spends significant funds on the financing costs of its existing facilities, which could be far better spent on educating children.

We started off in 2002 in a space that was inadequate for educating students because as a charter school we received no funding for facilities and had to scrimp what funds we could from our operating budget to rent the top floor at 85 Custer Avenue. As we grew larger, we were able to purchase the entire building with financing from Prudential Financial's Social Investment Group and LISC Newark. A few years later, we replicated the success of our first campus with a second and a new founding class of students at the Rise Academy campus followed in the footsteps

of Kinyette and her founding class at TEAM. We purchased and renovated a second school building with financing from New Jersey Community Capital, Prudential, and Community Reinvestment Fund. Rise Academy has since become one of the most highly regarded KIPP campuses in the country. However, the process of acquiring and renovating both buildings required tremendous amounts of staff time and millions of dollars in fundraising. All of this facility and fundraising work pulls us away from our core mission of educating children.

The resulting debt also takes much needed dollars away from serving our students. We currently spend between \$1,500 and \$1,600 per pupil, per year in operating funds to pay down interest and principal on the financing for the Rise and TEAM facilities. That is \$600,000 per year, per school that we could spend making our teachers' work weeks more sustainable, hiring more teachers, hiring more social workers, buying more books, or supporting our alumni in high school and college. It amounts to \$600,000 per year, per site that could be spent to continue improving on one of the most successful educational models in the nation. Instead it pays for bricks and mortar.

However, an even greater challenge lies ahead. We are currently looking for permanent homes for our high school, which currently shares space with a traditional public school, and the two elementary schools we plan to open in the next two years. We currently have over 1,000 students on our waitlist and more students applying each day. And we have seen the promise of elementary schools in Houston where the first KIPP elementary school has its second graders outperforming most of the city's fifth graders. So we have a great sense of urgency about the need to grow both because we wish to meet the demand for more seats and because we believe it is imperative that we provide our students with the best possible education all the way from kindergarten through twelfth grade.

In the past, we were fortunate to find former parochial school buildings for sale at relatively reasonable prices. Although the buildings were not in good shape when we first moved in, they were affordable given the resources available from financing and fundraising. Over the past few years, we have spent hundreds of hours exploring facilities options in Newark and know that there are few suitable, inexpensive options available. Of the options that we have seen, we know that for an elementary school or high school serving 600 students:

- Renovating a non-school facility will likely cost over \$20 million
- Building a new school from the ground up would, at a minimum, cost \$35 million

That is many times the cost of our two current facilities which were purchased and renovated for less than \$7 million each.

We are forced to consider these more expensive options, because of a challenging real estate market for suitable school sites in Newark. As a result, in order to successfully put our schools in new homes in the next few years, we will need to identify millions of dollars in financing and fundraising. We are currently working with a capital campaign consultant, facility finance experts, developers, and a variety of potential low-interest lenders to try to identify how we will finance and raise the necessary funds, but we face a tight credit market and an extremely challenging fundraising climate. Although we have successfully raised the funds we needed to close our annual operating gap over the past few years, the challenge of raising tens of millions of dollars for facilities is a daunting one, and one that may prove impossible in this economy. If we cannot raise the funds, we cannot open more schools and we cannot offer more children in Newark a path to college.

It would be a shame to let bricks and mortar stand in the way of a brighter future for thousands of young Newarkers and thousands of young people around New Jersey.

There are a number of things the state could do to help ensure we can provide these opportunities to more children:

1. Provide the same funding for charter school facilities that traditional public schools receive.
2. Provide loan guarantees for charter schools to help bring lenders to the table and to reduce the cost of borrowing.
3. Provide support to community development financial institutions, such as New Jersey Community Capital, to build their capacity to support charter school facility projects.

Helping to eliminate the barriers to affordable school facilities for charters is one of the most effective actions the state can take to help us extend these extraordinary educational opportunities to more students.

Thank you.