

Committee Meeting

of

JOINT COMMITTEE ON THE PUBLIC SCHOOLS

*“Invited guests will be asked to speak on the topic of
School District Regionalization”*

LOCATION: South Hunterdon Regional High School
Lambertville, New Jersey

DATE: November 12, 2014
10:00 a.m.

MEMBERS OF COMMITTEE PRESENT:

Senator Ronald L. Rice, Co-Chair
Assemblywoman Mila M. Jasey, Co-Chair
Assemblywoman Sheila Y. Oliver
Assemblyman Benjie E. Wimberly
Assemblywoman Donna M. Simon



ALSO PRESENT:

Amy Tibbetts
Executive Director

Rebecca Sapp
Executive Assistant

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

SENATE

Hon. Ronald L. Rice
Co-Chair

Hon. Diane B. Allen
Hon. Linda R. Greenstein
Hon. Donald Norcross
Hon. M. Teresa Ruiz
Hon. Samuel D. Thompson

ASSEMBLY

Hon. Mila M. Jasey
Co-Chair

Hon. Ralph R. Caputo
Hon. Betty Lou DeCroce
Hon. Sheila Y. Oliver
Hon. Donna M. Simon
Hon. Benjie E. Wimberly
Hon. David W. Wolfe

You Are Viewing an Archived Record from the New Jersey State Library



Joint Committee on the Public Schools

135 West Hanover Street
P.O. Box 070
Trenton, New Jersey, 08625
Telephone: (609) 847-3365
Fax: (609) 292-4912

Amy Tibbetts
Executive Director
atibbetts@njleg.org

Rebecca Sapp
Executive Assistant
rsapp@njleg.org

MEETING NOTICE

TO: Members of the Joint Committee on the Public Schools

**FROM: Senator Ronald L. Rice, Co-Chair
Assemblywoman Mila M. Jasey, Co-Chair**

The Joint Committee on the Public Schools will hold a meeting on Wednesday, November 12, 2014 in the auditorium of the South Hunterdon Regional High School in Lambertville, beginning at 10:00 a.m.

Invited guests will be asked to speak on the topic of School District Regionalization.

The public may address comments and questions to Amy Tibbetts, Executive Director, at 609-847-3365, or by email at Atibbetts@njleg.org

Issued October 29, 2014

TABLE OF CONTENTS

	<u>Page</u>
Assemblyman Joseph R. Malone III Mayor Bordentown City, and Former Chairman New Jersey State Assembly Task Force on School District Regionalization	4
Mark W. Biedron President New Jersey State Board of Education	6
Derek Roseman Member South Hunterdon Regional Board of Education	9
John King Director Freeholder Hunterdon County	28
Robert G. Walton Freeholder Hunterdon County	28
Gina Genovese Executive Director Courage to Connect New Jersey	54
Michael Vrancik Director Government Relations New Jersey School Board Association	62
John J. Burns, Esq. Counsel New Jersey School Board Association	62
Michael F. Kaelber, Esq. Director Legal and Policy Services Department New Jersey School Board Association	63

TABLE OF CONTENTS (continued)

	<u>Page</u>
Melanie Schulz Director Government Relations New Jersey Association of School Administrators	71
Debra Bradley, Esq. Director Government Relations New Jersey Principals and Supervisors Association	78
Ginger Gold Schnitzer Director Government Relations New Jersey Education Association	84
Robert Bumpus Assistant Commissioner Division of Field Services New Jersey Department of Education	94
Michael A. Rossi Jr., Ph.D. Superintendent of Schools Board of Education Borough of Madison	99
David M. DelVecchio Mayor City of Lambertville	105
APPENDIX:	
Testimony submitted by Derek Roseman	1x
Newspaper article, and <i>Assembly Task Force on School District Regionalization</i> Report submitted by Assemblyman Joseph R. Malone III	6x

TABLE OF CONTENTS (continued)

APPENDIX (continued)

	<u>Page</u>
Regionalization Timeline submitted by Regina Genovese	61x
Testimony submitted by Michael Vrancik	63x
Testimony, and <i>Regionalization and Consolidation Summary Report</i> submitted by Melanie Schulz	82x
Testimony submitted by Debra Bradley	109x
Testimony submitted by Ginger Gold Schnitzer	112x
Testimony submitted by Robert Bumpass	116x
Testimony submitted by Michael A. Rossi Jr., Ph.D.	121x
Testimony submitted by Andrew Musick Director Policy and Research New Jersey Business and Industry Association	123x
pnf: 1-115	

SENATOR RONALD L. RICE (Co-Chair): Good morning.

We're going to ask everyone -- as I see you moving to be seated.

I want to thank, first of all, those of you who have taken the time out of your busy schedules to be here this morning. And I want to thank the leadership of this institution of academics for allowing us to use it this morning to have some conversations and to hear from the public on regionalization, an issue of concern to members of the State Legislature in general, and to this Committee and some of its members in particular.

I want to thank the members for traveling. For those of you who may not know it, this is a meeting -- a public meeting of the Joint Committee on the Public Schools. And I'm glad to see Assemblyman Joe Malone here, who was a member of this Committee for a number of years, with his leadership, and tutored me a lot. And we certainly miss you, Assemblyman, in Trenton. And I'm trying to encourage you to come back, but it seems to be hard to do. (laughter) We'll continue to work on that, for the record. And that's in the transcript, you know.

Also, I just want to say that the Joint Committee is a statutory Committee established by the Legislature, and our job is to really get accountability, transparency, and look at where we're moving, academically, as it relates to education in the public schools throughout New Jersey; and to oversight, and then make recommendations back -- and policy issues -- and send them back to the Legislature when we find the need.

We do not-- As a Committee, we don't pass legislation, but we collectively can write it and put it in the right Committees. We, individually, can write it in and put it the right Committees, and support it, and promulgate it.

So with that being said, I'm going to ask the Executive Director Amy to give us a roll call of the members here, and then I'll give each member an opportunity to introduce themselves, and have a comment or two, if they want to.

Amy, roll call.

MS. TIBBETTS (Executive Director): Senator Rice.

SENATOR RICE: Here.

MS. TIBBETTS: Assemblywoman Jasey.

ASSEMBLYWOMAN MILA M. JASEY (Co-Chair): Here.

MS. TIBBETTS: Assemblywoman Simon.

ASSEMBLYWOMAN SIMON: Here.

MS. TIBBETTS: Speaker Oliver.

ASSEMBLYWOMAN OLIVER: Here.

MS. TIBBETTS: Assemblyman Wimberly.

ASSEMBLYMAN WIMBERLY: Here.

SENATOR RICE: All right, thank you very much.

I want to start with the Co-Chair. I'm the Co-Chair of the Committee; by statute we have a Vice Chair and we have a Chair. But what we did, Assemblyman Malone, some time back we made a decision to bring an equitable relationship from both houses; that we would just, kind of, waive that rule -- even though it was statutory -- and we would have Co-Chairs. And the Co-Chair of the Committee is Assemblywoman Mila Jasey.

So I am going to ask her first, given her position, to say hello and maybe have a couple of comments. And then what we'll do is we'll go from my left, with Assemblyman Wimberly, and work our way back over here to the Assemblywoman who represents this District.

ASSEMBLYWOMAN JASEY: Well, good morning. Can you all hear us, and can you see us? (affirmative responses) Because the lights are in our eyes.

Well, first of all, I want to thank Assemblywoman Simon for asking to have this meeting and to reopen the discussion about regionalization. I think we have to talk about it, and we need to get the facts to find out if, in fact, it might work for districts in other parts of the state.

I also want to say that we really enjoyed the drive down. There wasn't any traffic, the weather was okay, and, you know, it's a reminder of how diverse our state is, geographically. I hail from the 27th District, which is Essex and Morris County; very urban, suburban District; built-out for the most part. So we don't get to see a lot of wide open spaces except for the green spaces that we've been able to preserve. And so for all of you who voted for the Open Space question, thank you very much; it's really important. When you drive around here, it seems like open space is endless; but in the northern part of the state where I live, not so obvious. And so for the sake my children, and now my grandchildren, I'm very grateful.

I'm looking forward to this conversation; I'm looking forward to learning, and to seeing how we might apply what we learn to other parts of the state.

So thank you.

SENATOR RICE: Assemblyman.

ASSEMBLYMAN WIMBERLY: Good morning; thank you, Chairman, Co-Chair. It is definitely an honor to be here this morning.

I thank Assemblywoman Simon definitely for the invite, because it's definitely refreshing. I come from the 35th District, which is very, very urban. And to take the ride down here this morning, it reminded me of riding down Route 13, headed down to the South. (laughter) It's refreshing, and it's a good thing. So I mean, it's welcomed. The topic today is something, like I said, is something that could benefit many districts throughout the State of New Jersey. And it's something that I think that is very right on point -- when you talk about cost-saving factors and what's in the best interest of students in districts throughout the State of New Jersey.

So it's definitely an honor to be here this morning. Thank you.

ASSEMBLYWOMAN OLIVER: Good morning. I, too, am very happy to be here this morning. But I'm no stranger to the area. Some years ago I worked in Pennington, and the highlight of my day was driving past the Duke Estate and just marveling at what went on behind those walls through the years; and stopping at the farm stands and getting fresh produce. So it was a good experience this morning, knowing that you have still maintained that tranquility.

I also want to tell Assemblyman Malone how much we miss you in our Chamber. And your dedication to public education is further demonstrated by you being here today.

A S S E M B L Y M A N J O S E P H R. M A L O N E I I I: (off mike) Thank you very much.

ASSEMBLYWOMAN OLIVER: You've always been a voice for our public schools.

Regionalization is something that we've talked about on again, off again. The pundits who write about us often say that in New Jersey we love home rule, and we like to have our own of every thing. But I know that one thing that I hear from residents around the state -- Hunterdon County, Somerset County, Mercer County, Passaic County -- we like home rule, we like our own, but we don't like the numbers we see on our property taxes. So I think whenever the issue of regionalization is raised up, it's looked at through the lens of: Will this result in locales being able to reduce the property tax burden on their citizens? And I think as we examine this issue, that's what we'll be examining once again.

I know-- I once spoke with a mayor; he's the mayor of a town of 1,100 people in New Jersey. And he described to me that he has to pay a Superintendent of Schools \$150,000 a year, but his town has no school -- that they send their children to another district.

So I think that's part of what drives the regionalization conversation. But we also know that smaller learning communities are of exceptional benefits to students. So like Assemblywoman Jasey, I too am here today to learn.

It's a pleasure to be here at South Hunterdon, and I love the fountain that is outside the door of the school. (laughter)

SENATOR RICE: I also just want to take the opportunity to thank Mayor DeVecchio, a person who goes way back, in their life, in Essex County. I believe that's where he really learned how to lead and make policy, and do the kinds of things that he's been doing so well here in the Lambertville area. But we want to thank him for being here this morning.

I'm not sure if he's coming back; if he does come back, I'm sure that the Assemblywoman will give him an opportunity to have some words.

With that being said, we're going to turn this meeting over to Assemblywoman Donna Simon to lead you in discussion. And we'll listen, and we'll intervene with questions or conversations where we think it's necessary -- or, to be quite frank, where we want to. (laughter)

ASSEMBLYWOMAN JASEY: May I make one--

SENATOR RICE: Yes, Assemblywoman.

ASSEMBLYWOMAN JASEY: Thank you.

I'm not going to thank all of the people who are here individually, who represent different organizations and groups. But I do want to thank you for coming.

But I especially want to thank the State Board President for being here, Mark Biedron. That's something new. I don't think we've ever had a State Board member -- much less the President -- come to one our meetings. So we very much appreciate your coming this morning.

MARK W. BIEDRON: (off mike) Thank you.

SENATOR RICE: Let me concur with that, and hopefully, if you don't stay the whole meeting, prior to your leaving I'd like to talk to you. (laughter).

ASSEMBLYWOMAN OLIVER: You better make a beeline for the door. (laughter)

ASSEMBLYWOMAN SIMON: All right; thank you.

Thank you, Chair.

I'd like to thank Chair Rice and Vice Chair Jasey for not only honoring my request, but graciously approving and supporting our Joint Committee meeting today at South Hunterdon.

This is the home of the recent consolidation in New Jersey, and the last one was 20 years ago. So this is historic, and I'm very proud to be here.

I'd like to thank South Hunterdon School District for hosting our Joint Committee, and congratulate them on their accomplishments in unifying -- and I think unifying is a less-scary approach to the word *regionalizing*. A special thanks to Derek Roseman, Lambertville's Board of Education member, representing the first regionalized Board of Ed; and Amy Tibbetts, the Executive Director for our Joint Committee on Public Schools, for their efforts in coordinating our hearing today at South Hunterdon High School.

I would also like to thank Governor Christie and Commissioner Hespe for the enthusiasm of today's focus on consolidation.

A recent report from the Center for American Progress found that nearly 62 percent of New Jersey smaller districts are in the suburbs and are close enough to be consolidated. In fact, the report rated the State's system of several hundred districts as the *least efficient* in the country. It also found, by trimming management and redrawing district boundaries, taxpayers could save nearly \$100 million a year without closing a school.

Unnecessary administration costs are among the reasons we continue to have the highest property taxes in the country. Many years ago, when I was a kid, an entire school district had a superintendent, usually one principal for each school, and the principal had a secretary.

Today, we have 590 school districts, 594.3 superintendents, 2,301 principals, 1,854 assistant principals -- and the list goes on: directors, assistant directors, department heads, assistant department heads, business administrators, assistant business administrators, board secretaries -- each school with their own contracts, policy manuals. But many report struggles for students when they get to high school because each one is being taught different curriculum at the local level. Therefore, there is no academic seaming once they get to high school. So that's a struggle for many students.

Many schools have engaged in shared services, most often for purchasing or transportation -- which is a commendable effort. However, shared services are very isolated and it still leaves schools facing financial pressures.

Many schools would be interested in consolidation; some can't afford feasibility studies, others don't know where to start, and others need a support system that they don't know who to turn to. I can think of no better place to hear from and collectively learn -- as we are all willing to do today -- about the trials and tribulations of regionalization or unification, about South Hunterdon's ultimate success. But this was not an easy road for them. They did not succeed first, but they kept trying -- and that is the most commendable thing.

We have both short- and long-term goals and benefits. We're hear to listen about the roadblocks, the obstructions; how academic seaming and continuity can yield a higher quality of education for our children; how pooled resources, eliminating redundancies, increasing efficiencies, and

alleviating financial pressures, and realizing that taxpayer relief is a goal, but not necessarily the only goal.

Today is a quest for information so that we can learn how to remove barriers for consolidation. It must start with consensus building, honey versus vinegar, and we have to bring everybody together in a partnership without interference and thumbs on the scale. We must work together if we want this to work. And I know -- and Joe Malone was the pioneer, many years ago. We've talked the talk, now it's time to walk the walk. And we're not trying to do it all together, but moving forward so that we have momentum, rather than going backwards or staying put and stagnating.

I think South Hunterdon is the model, and I know that Derek is more than willing to not only discuss with us and answer our questions, but has offered to other schools to help them along. Like I said, there are many schools out there that are willing to entertain this, and I think that we need to encourage and foster that partnership.

So I thank everybody for being here, and I'd like to start our testimony with Mr. Derek Roseman, a member of the South Hunterdon Regional Board of Education, for his testimony.

D E R E K R O S E M A N: Thank you.

I have to say, after the last decade of working in the Legislature, it's weird to be on this side of the dais. (laughter)

SENATOR RICE: Before you testify, I just wanted to say that I was trying to figure out where you were all these years, you know, since you move around. But it's good to see you.

MR. ROSEMAN: Thank you, Senator.

SENATOR RICE: I did not know you were down here involved in education; that's a good thing.

MR. ROSEMAN: Thank you, Senator. I grew up in a public education--

SENATOR RICE: And I know that your experience in the Legislature and being here is an asset to the District; it has to be.

MR. ROSEMAN: Thank you; I appreciate that.

Chairman -- Chairman Rice, Chairwoman Jasey, members of the Committee, welcome to South Hunterdon. As Chairwoman Jasey mentioned, on the drive down -- now you know why I decided to move to Lambertville 10 years ago,

And Assemblyman Wimberly, I invite you specifically to come back next fall to watch our South Hunterdon Eagles play football. Because, you know, we may be small, but we're pretty darn good.

ASSEMBLYMAN WIMBERLY: I know you are.

MR. ROSEMAN: Welcome to South Hunterdon. As has been said, my name is Derek Roseman, and I have the honor and privilege to represent the City of Lambertville on this first regionalized Board of Education for the newly formed South Hunterdon Regional School District.

Had you come here a year ago, you would have seen a school that is unlike what you see today -- except, of course, that it was its own school district. One year ago the City of Lambertville, the Borough of Stockton, and the Township of West Amwell were governed by four school districts. The individual K-6 districts operated within each community; plus the regional 7-12 district.

(announcements made over school's public address system)

MR. ROSEMAN: As long as they don't call my name, I'm in good shape. (laughter)

For a total student body of approximately 950 students, we had three superintendents, three Board secretaries, four sets of contracts, four separate policy manuals, and so on and so forth down the administrative line. Or, to put it another way: To graduate a class of 54 students -- as this high school did this past spring -- it took the work of 32 elected School Board members. We each could have escorted a senior to receive their diploma, with very little turnover.

But aside from that Administrative curiosity, we each faced very distinct and strong financial pressures independent of the State's property tax cap. Those pressures were, in fact, nothing new. In South Hunterdon, for example, defeating the school budget became almost an annual rite of spring, leading the governing bodies of the municipalities to determine what cuts to make to budgets that already had minimal increases in programmatic spending.

In Stockton -- the smallest of our partners -- the Board had to grapple not once, but several times in the past years with the question of whether or not the District was even financially feasible to continue. And in Lambertville, where I served on the local Board of Education, and sat as Finance Chair, we had to try to find a way to administer a school undergoing a massive influx of students. When I first joined the Board of education in late 2007, we were a school of 154 students. Now, Lambertville Public School is home to upwards of 240. Just to maintain our programs to serve that growing population required property tax increases in 2011, 2012, and 2013 of 6, 8 and 10 percent, respectively.

To meet these pressures, our schools had come together to share services in every, and practically any, which way possible. Lambertville and West Amwell shared a Superintendent; we shared elementary art and music programs with Stockton; we shared Child Study Teams and transportation needs with South Hunterdon Regional; we formed shared policy committees, shared curriculum committees, and our Board Presidents met monthly to discuss other areas where sharing could be beneficial. But even with that effort, the financial pressures still mounted.

When I became a Board member in 2007 the possibility of regionalization had already been discussed for several years, and in fact, had been broached multiple times over decades -- but to no avail.

However, the realities each of us faced when we looked at the needs of our communities led us to the ultimate conclusion that regionalization had to happen for us to be able to maintain the high quality educational programs of which we were so proud and which draws families to our area.

Last year, we finally got our chance, and the community responded overwhelmingly. Regionalization carried, with more than 80 percent of the vote across our municipalities. On July 1, we formally became one South Hunterdon that we had aimed to be; and on September 2, our communities' children returned to school to the teachers they knew and the buildings they knew. And, as I said, on that day -- and Assemblywoman Simon was there for our grand opening celebration -- what was so remarkable about our first day as a regionalized district, was just how unremarkable it was from the students' perspectives.

Where the change did come was in the administrative offices, and we are already seeing the positive impacts of regionalization. As one District, we are already operating at a cost of \$170,000 less than had we remained separate -- and that is with our Board's practical decision to not make any immediate wholesale changes to the District right out of the box -- and without a loss of \$140,000 in School Choice Aid, and health insurance premiums that rose 50 percent more than anticipated -- those savings would have been more than doubled.

Our Board and our communities are bullish that regionalization was, in fact, the right decision. But how did we get here, and what lessons are there for the State to glean from our experience here at South Hunterdon?

I truly believe that what we did here can and should be the model for other similarly situated districts across the state. And please note that I said *similarly situated*. Regionalization, Assemblywoman Oliver mentioned, is not a new topic in the statewide discussion. When Assemblywoman Simon introduced her resolution to create a task force on regionalization, one newspaper editorialized that the State should first release the recommendations from the individual Executive County Superintendents that were created after the 2007 Core Law. Frankly, I believe that that would poison the well against regionalization.

If you may remember, in 2007, Gloucester County was recommended to be a test kitchen for countywide school regionalization. And to call that idea a disaster would be quite kind to disasters. Entire communities erupted in outrage that Trenton would know what was best for them and their kids, and the effort quickly died.

If it is seen that regionalization is a policy directive from Trenton, it will similarly die. What made our regionalization effort here a success was that it was a home-grown effort. We took the initiative. We worked within our communities to focus on the very localized benefits. But the State Department of Education, the Governor's Office, and our lawmakers were all there with us in partnership. For regionalization to succeed, we knew we needed help from the State's actors, but we could not be in a position to make it even appear as if the State was dictating our actions or motives.

And that is where the Assemblywoman's efforts make sense. Regionalization decisions must be made in concert with and within affected communities. Before we can move to countywide regionalization -- or any other schematic -- we must begin with the districts that look like South Hunterdon did a year ago: regional high school district fed by multiple constituent elementary districts. These points of commonality -- a consolidated curriculum, consolidated budget -- are what made people understand that regionalization would not impact the classrooms and brought them to support our vision for one South Hunterdon.

I would also hold up the model under which we proceeded, as a preferable model, going forward. Under traditional regionalization -- the last of which occurred more 20 years ago -- constituent districts are either simply merged or non-operating districts absorbed by a standing regional Board of Education. But in that scenario, local politics and distrusts can harm regionalization efforts. Had our efforts here focused on the standing previous regional Board of Education merely absorbing the elementary

schools, regionalization would never have happened; it would have been defeated.

What we did here was to dissolve an entire school system -- regional district and constituent districts -- and reconstituted ourselves as one entirely new district. The natural, if not entirely understandable, distrust and rivalries between high school districts and elementary districts never became a factor. It allowed for a new district board that consisted of those who not only served regionally, but also locally. Regionalization, as some sort of power play by any player -- a large municipality, a more-powerful Board -- will never get off the ground. All must be seen as equal partners and players in the success of an effort.

We must also do away with the simple notion that regionalization is a panacea for high property taxes -- because, I can tell you from our experiences, it is not. Yes, there are distinct benefits to property taxpayers from regionalization: greater efficiency, more available funding for education versus administration, and, for the City of Lambertville in particular, predictability, stability, and the end to riding a property tax roller coaster. A regionalization, on its face, will not cut property taxes in the short run; in fact, even with regionalization, our local levies to our communities increased 2 percent.

Let us not fool ourselves into trying to sell regionalization as a property tax cure-all. What it will do, however, is create long-term sustainable savings and a much slower rate of increase.

One area where the State can be of direct assistance is in helping districts make the decisions necessary to move forward to study regionalization and put the questions to voters. When our districts reached

the decision to pursue regionalization, we were told by DOE that the first step would be to undertake a comprehensive feasibility study. Easy enough, we thought. And we looked to doing it in-house. However, we soon realized that detailed demographic studies and a near-forensic level of financial analyses were way over our heads, and that we would need a professional firm to conduct our study for us.

But such studies cost upwards of \$50,000. And for four small districts already counting every penny just to keep our programs intact, we had to ask the taxpayers in a second question on our ballot for their permission and the ability to spend the money. Thankfully, they gave it to us.

And when we decided to move forward with having the vote on regionalization, we were presented with a \$20,000 cost of holding a special election.

There's no lack of irony that districts seeking to pursue regionalization are doing so partly because of financial reasons, yet have to spend tens of thousands of dollars to merely try to move the ball forward. The hoops we were forced to jump through did, in my opinion, nearly reach the level of being considered unfunded mandates. If the State truly wants South Hunterdon to be a model and a first, instead of just some crazy outlier, then it must step in and assist these districts with the financial commitment. It should provide the funding for both feasibility studies and election costs or, at the very least, DOE should seek ways to bring the feasibility study process in-house and offer a free, professional service to districts.

Now, I do want to make it clear that the Department did a wonderful job of working with us to not only get us across the finish line electorally, but to make regionalization a reality administratively. We did it in six months -- from the seating of the regional board, to when we flipped the switch and became one district in and of ourselves.

We would not have been able to get that without vital assistance from the State. Executive County Superintendent Jerry Vernotica should be specifically congratulated and thanked. He went above and beyond to get us answers to questions, and to help guide us through those transition periods when every one issue we overcame created two new.

Commissioner Hespe and his office were invaluable. And I also have to thank the Governor and the Legislature for maintaining regionalization transition aid in this year's budget to help us pay our bills. We are currently working with DOE to, hopefully, have some of that aid come in to pay some of -- mostly our legal bills.

What we have done here at South Hunterdon is historic, but I certainly want it to be historic for being a first, and not just another footnote in the history of fits and starts. I and my colleagues on this Board stand ready to assist other districts who are examining regionalization for their communities. We have been told many times that what we did here in South Hunterdon wrote the book for others to follow. Allow us to help you ensure, now, that it gets read by other districts across the state.

I thank you for your consideration. I'll be happy to answer any questions.

ASSEMBLYWOMAN SIMON: Thank you; thank you very much.

Do any of my colleagues have questions?

ASSEMBLYWOMAN JASEY: I just have one simple one.

I don't know the area that well. How large an area is this?

MR. ROSEMAN: What you're looking at are-- I mean, West Amwell Township, if you're talking geographically--

ASSEMBLYWOMAN JASEY: Yes, yes.

MR. ROSEMAN: --is much larger. I don't know the specific size; I'd probably say about 20 square miles. The City of Lambertville is one square mile, and the Borough of Stockton is, probably, about three-quarters of a square mile. Population wise, Stockton Borough has 500 residents; West Amwell Township is about 3,000; and the City of Lambertville is just shy of 3,900. And that's one reason why this whole idea made so much sense to us, because more than like any other district, I think probably, in the state, we all know each other very well and very closely.

That's not to say, though, that there weren't specific political challenges to overcome in each district, to be honest. West Amwell Township -- obviously, a more rural community. There were folks who were leery of the "City of Lambertville" dictating -- being the larger presence, dictating regionalization. They were concerned because we would also have five members on the Board. The Borough of Stockton is very connected to its small school, and was afraid that West Amwell and Lambertville would come in and just say, "We're going to just shut the thing down and bus the kids out." It was very much a concerted effort to say our goal is to only change the administrative units in the District, but to maintain the

educational units, and the very close ties everyone had to their individual schools.

ASSEMBLYWOMAN JASEY: Okay, thank you.

ASSEMBLYWOMAN OLIVER: I have a question.

ASSEMBLYWOMAN SIMON: Yes.

ASSEMBLYWOMAN OLIVER: Yes, and Derek, I'm very impressed with you as a School Board member.

ASSEMBLYWOMAN JASEY: Yes.

MR. ROSEMAN: Thank you.

ASSEMBLYWOMAN OLIVER: You're great at that. I really love--

MR. ROSEMAN: I like to joke that I'm proof that Lambertville will vote for anyone; so I appreciate that. (laughter)

ASSEMBLYWOMAN JASEY: Well, actually, I should mention the fact that the Speaker and I are both former Board of Ed members. So we do -- I should have said that -- totally respect what you do.

ASSEMBLYWOMAN OLIVER: Yes, I'm very pleased to see what you're doing.

How did the mechanics work out, in terms of school board elections? Did you build into this scenario that there would be representation from all the towns, or how does that work?

MR. ROSEMAN: Yes. The representation is driven by statute. And since we have the Regional High School here, the representation of the current board just mirrors what we had there. We are a nine-member board; five members from Lambertville, three from west Amwell, and one from Stockton. When we were seated in December we drew straws, and the

Stockton representative -- who is our Vice President as well -- we wanted to make sure that Stockton understood that we were considering them a full partner, so they hold the vice presidency of our Board; Lambertville currently holds the presidency.

We are now in the process-- Since the first Board was an all-appointed Board from Dr. Vernotica, we are now in the process of moving ourselves into the three-year elective cycle. I drew one of the short straws, so I was just up for reelection last week; and I'm proud to say that my community has supported my efforts and awarded me with another term. Whether I want to thank them in a couple of years is another question entirely. (laughter)

But next year-- So by the time you get to the 2017 cycle we will all now be up, and we will all be a fully elected Board, as opposed to now -- we're going to be a merged elected and appointed for the first three years of our existence.

But it is dictated by statute, and it's by population of the town, not necessarily how many students they send to the District. For a long time, on the regional Board -- I'm sorry to (indiscernible) -- for a long time in the regional districts, West Amwell was actually the lead sender of students to the District, but Lambertville still held more seats because of our population. That is now changed; Lambertville now is the largest stakeholder in the District.

ASSEMBLYWOMAN OLIVER: And what was the domino effect in terms of those who were principals, those who were assistant principals, those who were department chairs? How did that whole personnel integration happen?

MR. ROSEMAN: It was actually -- it was very seamless, considering that we knew that we would need to have experienced principals in each of the buildings. The principals who were there are still there; the Superintendent -- the shared Superintendent between West Amwell and Lambertville -- Dr. Kozak -- he was a great Superintendent, but he ended up taking a position in a district in Burlington County, closer to his home. Dr. Muenker, who is our Superintendent currently, was an interim Superintendent for South Hunterdon, who decided to work on an interim Superintendent basis knowing that regionalization might be in the offing. And we were pleased that he submitted his name and we believed that he was head-and-shoulders above all the other candidates that we'd received.

But if you go into the schools, the principals are all still the same; it's really only the change up here. We lost a Superintendent; we had a shared BA between West Amwell and Lambertville. She found another position last year before this all happened anyway. So the dominoes really didn't fall all that far for us. We were very lucky in that regard. I would have had to hate to choose between incredibly talented candidates for some of these positions, knowing that there would have to be a "loser." We were very lucky that we were able to maintain very much the status quo that the community was very comfortable with.

ASSEMBLYWOMAN OLIVER: Thank you.

MR. ROSEMAN: Thank you.

ASSEMBLYWOMAN SIMON: Anyone else? (no response)

I have a few questions for you, Derek.

Some schools were concerned that when you consolidate, you would have to go to the highest salary for teachers. But as I understand it -- and just asking you, from your perch -- how collective bargaining worked out in this consolidation. Is it true that you didn't have to pay the teachers at the highest salary because you, in essence, dissolved your four schools and then created a new one -- therefore, there was no need to renegotiate contracts, but you created a new one through that process?

MR. ROSEMAN: Right. I'll leave it to School Boards or NJEA to get to those nuts and bolts.

ASSEMBLYWOMAN SIMON: Okay.

MR. ROSEMAN: I can tell you what the experience was that we had, on the ground.

We are currently still in negotiations with the collective bargaining unit -- who, obviously, had to dissolve four collective bargaining units and then reassemble them as one. I do not sit on the negotiations committee, but from everything that I have heard it has actually been very amicable negotiations thus far. We're not quite there yet, but I think we're -- I think they're soon to be there.

The interesting things that we've had to deal with in contracts are that, as we are currently situated, the contracts that the teachers and contracted staff were working with prior to regionalization are the ones that still govern them until we have the new contract in force, which will then supersede. The little hiccups there were that the contract in Lambertville expired June 30. So the teachers in Lambertville public school are currently working under the terms of an expired contract. And that also was implemented prior to the health benefit reforms taking place. So they are

still paying 1.5 percent of salary towards health benefits, whereas all the other schools are either at level 2 or level 3 on the Premium Share Guide. All the other schools have their contracts in effect; they're just working under those contracts until we have the new contract.

In terms of salary guide -- I do not believe that our districts were much apart in terms of where we were, anyway, in terms of pay scale. In Lambertville, we had a very structured -- every step up and every step across was of equal-- Whether or not that will be the new guide, we don't know, but I think we, at least, benefit here from having, in our community, guides that weren't necessarily very divergent.

And also one of the other hiccups that has come up, too, is that we-- For a lot of us who have served on elementary boards, we knew elementary contracts -- elementary school contracts. Folks who had served on the high school board know the ins and outs of high school contracts. And there are things that belong to each that may not belong in a new one. And it seems that every time we think we're close, something else sprouts up, or it's like, "Well, wait a minute; hold on. This suits elementary but not high school, so now we have to work around certain other things."

But as I said, it's been a very amicable-- NJEA and School Boards have been great, and I believe everyone's-- I think we're very -- knock on plastic -- hopefully very close.

ASSEMBLYWOMAN SIMON: Okay. Can you speak to the methodologies that you went through for capacity and consensus building? Did you go between yourselves and the school first, and then out to the community? How did that work for you?

MR. ROSEMAN: Sure. Well, as I said in my testimony, regionalization had been talked about here for a long, long time. I don't know if it had ever gotten to the point of being put to a vote before, but there are long-time Lambertville residents who remember back in 1970s, even -- the talk of merging all the districts into one South Hunterdon unit.

What we did was, our School Board Presidents met regularly and we-- When it got to the point where the School Board Presidents were all thinking that this is now a good idea for us to pursue, the School Board members themselves -- we then took it upon ourselves to start talking among our friends and our neighbors, to test the waters, see what people would think.

This is where it's very beneficial that we have communities that are small enough and, especially, in places like Lambertville or Stockton that are also very concentrated, geographically -- where the schools are seen very much as centers of the community. But a lot of it was simply talking with friends and neighbors and getting a sense of: would this be something that we could support -- especially when it came to needing money for the feasibility study. The irony there is that while the feasibility study second question passed -- I believe with about 60 to 65 percent of the vote -- it was the second question on the Regional High School ballot. We put it there purposely because that was our one point of commonality, as opposed to three separate questions on three separate ballots. We put it just on the regional high school ballot.

The regional budget was going down to defeat about 2-to-1; but by almost the same margin, people were saying, "Yes, I want the feasibility study on this." The feasibility study process took about a year; that was

2012 -- throughout 2012. The beginning of 2013, a group of school board members, including myself; former school board members; and just folks who in the community who had an interest in the school systems -- we are blessed here to have very active communities -- we got together and formed, sort of, the ad hoc committee to start moving regionalization forward, knowing that we were eventually going to put ourselves on the ballot.

We held multiple town hall meetings in each community, which were very well attended; where we broke down and went with a 30-slide PowerPoint, point-by-point, of here is everything that regionalization could be; here's why we're doing this; here are the potential benefits -- answering any question that they could throw at us. And even sometimes we didn't have answers for them, but we would try to get answers. It was very much grassroots-driven, pushing it from the perspective of, "This is what's right for our community," not just what's right for the schools. And I think the fact that the lowest vote total we got -- out of Stockton was a 75 percent yes vote; and in Lambertville, I believe we hit 93 percent, or thereabouts -- I think that that is a testament to--

ASSEMBLYWOMAN SIMON: It speaks volumes.

MR. ROSEMAN: --the fact that we took this slow and steady; we made sure that people-- There were a lot of concerns, even in Lambertville -- which, obviously, was the most supportive of this. I had people stopping me on the street asking me questions about property taxes, or are the teachers going to leave? What's going to happen to the Principal? All those things. But I think having that ability to talk over the long haul -- almost a year; about nine months between when the feasibility study came out and when we went to the ballot last September -- using all

of that time. And then we actually did have to do the traditional political effort at the end to just make sure that people remembered that on this odd Tuesday at the end of September there's going to be an election. And we had about, I believe, a 30 to 35 percent turnout, which for a special election is not bad -- not a bad one.

ASSEMBLYWOMAN SIMON: Not bad.

Did your sending districts have their own curriculum, or did they all follow one and seam to the high school?

MR. ROSEMAN: They were each their own curriculum. Like I said, through our shared services we were able to level out a lot of those playing fields.

Stockton is a very interesting place. It's a small school; they have two grades per classroom. They have a kindergarten classroom, and then there's a 1st and 2nd grade, a 3rd and 4th, and a 5th and 6th. So obviously, that -- when we're creating the new curriculum now, those are things that we're going to have to take into consideration.

Lambertville and West Amwell -- we very much coordinated our curriculums as best we could, but there were still two separate curriculum guides. So there always was the concern that when the 7th graders came up here, there were disparities in grade level among kids who came from different districts.

ASSEMBLYWOMAN SIMON: Okay.

Transportation -- did that change in any-- Did the landscape change at all?

MR. ROSEMAN: That didn't change -- mainly because Lambertville and Stockton Borough are both walking districts. We don't

have any busing requirements. West Amwell had already relied upon South Hunterdon regional for their busing, so all of that stayed the same. So in terms of transportation -- at least, from our perspective -- it was not on the table. I could see where, for other districts-- You know, I grew up in Sussex County and went to the Kittatinny Regional High School and Fredon Township Elementary. But I could see where those -- those were all districts -- busing districts. I can see where that would have to be something to be massaged out before you go to a vote.

ASSEMBLYWOMAN SIMON: Okay.

And lastly, just from your perch -- any suggestions to others?

MR. ROSEMAN: Don't be afraid of it. Thanks to Gina and her group, some of us from South Hunterdon have presented at Courage to Connect forums and talked to other school board members. You know, I think as long as you approach it with the proper lens -- that it's not just about taxes; it really is about creating a much more efficient delivery of education. We are lucky in the State to have some of the best school districts. I like to think that we have one of the best school districts in the State here. And the biggest concern that people had was that we were going somehow damage that.

As long as people realize that regionalization occurs at the administrative level, and it's not about taking out vendettas against teachers or any other support staff -- that it is simply about bringing administrative efficiency for greater investment in the classroom, then this is something that no school district should be afraid to pursue. Whether or not their community's ultimately support them in the short run is another question.

But they should certainly-- No one should be afraid of at least broaching this question.

ASSEMBLYWOMAN SIMON: All right. Thank you very much, and congratulations on your success.

MR. ROSEMAN: Thank you.

ASSEMBLYWOMAN SIMON: I really appreciate you being here.

MR. ROSEMAN: And thank you again for coming here.

ASSEMBLYWOMAN SIMON: Thank you.

All right, next up we have Hunterdon County Freeholder Deputy Director John King, and Hunterdon County Freeholder Rob Walton.

Welcome, gentlemen.

FREEHOLDER JOHN KING: Thank you.

FREEHOLDER ROBERT G. WALTON: Thank you.

FREEHOLDER KING: On behalf of the Hunterdon County Freeholders, Chairman, Chairwoman, and honored members of the Committee, thank you for coming to Hunterdon County, which we affectionately call -- humbly call -- God's Country. Hopefully you had a chance to see that on your way in.

I fully respect Derek's comments with respect to everything that transpired in the consolidation of this school district. We -- Rob and I, who I am testifying with today -- Rob Walton-- And we'll also be joined by -- and I apologize -- two fellow Freeholders, John Lanza and Suzanne Lagay, because we're all acutely interested in this topic in this room.

But our perspective started, maybe, five years ago -- where Rob and I started to engage in the conversation about consolidation and whether or not it could have a material effect on not only property taxes, but also on the quality of education that's delivered in the classroom. You may or may not be aware that we are blessed here to have the highest taxes in the country. In 2011, that median tax rate was \$8,216 per unit, or household.

The interesting part of this is that, as much as we want to try to accomplish a means by which we can reduce taxes in Hunterdon County -- which we've done; in fact, from a County level we've actually reduced taxes in excess of \$6 million over the last 5 years. We've reduced our budgets from close to \$100 million down to \$86 million -- and we're starting to see that creep come back up.

We represent 20 percent of the total tax roll, or tax bite, to the resident or the business. The municipality represents 10 percent. So of that, that's 30 percent. So Rob and I, logically, concluded that if you really wanted to attack the property tax issue, you had to take a look at the 70 percent issue portion of it -- because any kind of gains there are going to be incrementally larger than any other.

So that \$8,216 tax bite in 2011 -- \$5,750 of that goes to schools. And so, therefore, we thought that was an opportunity for us to examine whether or not Hunterdon County was similar to other types of counties throughout the nation, and what that looked like with respect to how they ran their schools. And then start to try to model -- why not, right? -- as far as the difference.

Our reductions were negligible in the overall scope of things. You know, it's great politically; but you can reduce \$6 million from the tax

roll and it comes down to dollars -- single dollars -- at each household level. So we're searching for a way to broaden that.

This is one area where I will disagree with Derek before. I sincerely believe that there's some tax savings to be had here without degrading the quality of the education of the school system; in fact, with an opportunity to put more dollars into the classroom.

A couple of facts for you -- and I'm going to try not to bore you with a lot of facts -- but Hunterdon County, in the 2011-2012 school year, spent \$391,477,000-plus in total budgets for its school systems for, at that time was, 30 school districts -- which is now 27. We have 3,840 employees spread out in 50 different buildings throughout the County. That's \$17,651 per student -- whether you're in kindergarten or a senior; that's cost in order to educate those individuals.

Rob.

FREEHOLDER WALTON: Sure. So we looked at what other counties across the country are doing. And I compiled a list of the 20 counties across the country that are the same geographic area as Hunterdon County, and 20 counties across the country that are the same population as Hunterdon County. There were eight counties on both lists, so we looked at what they spent on schools. And as Freeholder King mentioned, our County spends around \$400 million on schools every year. Those counties spend, on average, \$100 million less than we do -- \$100 million. One school, one county spent \$150 million less; the other country was \$50 million; the rest were between \$90 million and \$110 million; but, on average, \$100 million less.

Now, that \$100 million average is adjusted for the cost of living -- because we understand in New Jersey we have a higher cost of living. There are also adjustments for student populations. So some of those counties have a little less students, some a little more -- but equal dollars-for-dollars, apples-to-apples is \$100 million less.

So why are they spending, on average, 25 percent less than we are? That's, we think, a very fair question to ask. And we had suggested, as Freeholders, that there be one countywide school district for all of Hunterdon County. That was not received very well by school boards, by school Superintendents, by a lot of folks. A lot of folks thought it was a great idea, but it was a very big step to take.

Part of the challenge with school consolidation is who saves and who doesn't save. There are winners and losers. School funding formulas can be constructed in two ways: based upon population, or based upon student body population. You can construct a funding formula based upon a mixture of both. I looked at the taxes that our schools pay -- or our residents pay for schools, and you can construct a formula in Hunterdon County so that every single taxpayer saves some money. Some will save more than others; but it can be done so that everyone gets a part of that savings.

And that we felt was one of the biggest challenges. We didn't want to have any losers in a countywide school district. Given the feedback we've gotten, we sort of backed off a one countywide school district and have championed several regional school districts based upon the high school. Hunterdon County has five regional high schools; you're in South

Hunterdon now; there's also DeVal High School, North Hunterdon, Voorhees, and Hunterdon Central.

And John has the numbers on Hunterdon Central, too.

FREEHOLDER KING: Yes, and just as a point of comparison, we started to take a look -- I did a quick look at just the cost for Flemington-Raritan Regional, which is approximately 3,500 students -- which is actually in a decline in student enrollment -- and Hunterdon Central Regional High School, which is around 3,100 students -- and it's also on a decline in total enrollment.

Flemington-Raritan Regional -- their budget is \$54 million annually. I'm going to let that sink in, because these numbers get big quick. Hunterdon Central Regional High School is \$59.8 million, or roughly \$60 million. So combined, we're looking at \$114 million.

RVCC, our community college-- Now, granted, they don't have the transportation costs, but I would -- I think it would be a stretch to say that the transportation costs make up this difference -- it's a \$53 million budget for more than 8,000 students. So \$114 million to \$53 million, plus transportation. Immediately it justifies the idea that we need to take a closer look at it from a financial standpoint. What are we doing right and what are we doing wrong?

As far as the education improvement side of it, I think you touched on it with Derek. We have kids coming from various regions, from various districts with different expectations, and different capabilities, and different training going into other systems. You know, a student coming out of Raritan Township going into Hunterdon Central Regional may be completely different than one coming out of Readington. And we think just

the opportunity to establish a core curriculum is a significant improvement unto itself. Additionally, there's nothing to be shied away from, from a common calendar. Parents who have children in a variety of different districts suffer from the idea that they've got vacation days here, these are open here, they have classes planned here. And it creates, in itself, its own problem.

And even our own Polytech -- our career academy -- suffers from that, from a standpoint of trying to coordinate -- since they're the last shared organization in the State of New Jersey -- trying to coordinate with its sending districts as well.

So with that in mind, we think that we've come up with some ideas of how we can try to support and be helpful. Now, we've come up with some ideas that have failed miserably because we certainly don't have -- we simply don't have the jurisdiction to do what we would like to do, which is to create a countywide ballot referendum that says, "Are you interested in consolidating schools?" Because even Kean University came out some time back and did a poll with their Public and Policy organization about three years ago that said 63 percent of people would favor -- and this is voters; strictly voters. And this is a large sample; it's not one of those small samples that Monmouth likes to take every once in a while -- but it was a large sample. And it said 63 percent of those voters agreed or favored consolidation if it meant a decrease in their taxes, as long as they're not looking at other massive logistical issues -- two-hour commutes and whatnot that were established in Jacksonville, Florida, for example.

So the Freeholders have gotten together and we were unanimous on this. We will match funds for anybody who wants to do a

compliance study -- or a feasibility study. Because we think it's that important from the standpoint of addressing the tax issue -- which is, for us, ubiquitous across Hunterdon County, and it's in the best interest of our residents.

As far as the equality of the school and the education -- I'll leave that to the experts. I sincerely believe that there's enough talent out here that we can come up with a way to take that money, reapportion it, and make it useful within the school system itself.

So that's what the County is trying to accomplish.

Rob, you want to--

FREEHOLDER WALTON: Yes, usually-- John and I have made this pitch in front of Rotary groups, in front of school boards, in front of church groups. And I usually conclude it with a story -- a bit of a humorous story, so bear with me. I hope it's appropriate for this audience.

FREEHOLDER KING: It might be a little (indiscernible)

FREEHOLDER WALTON: It's all right; we're all adults here.

But Winston Churchill was once at a state dinner in Washington D.C., and he was seated next to this very orthodox, conservative, Protestant Bishop. And at some point during the dinner, this beautiful waitress came around with a tray full of sherries. And Churchill immediately grabbed a drink and began consuming the beverage. She then went to the Bishop; the Bishop said, "My dear, I would sooner commit adultery with you than to drink one drop of alcohol." Churchill piped up and said, "Wait -- come back. I didn't know we had a choice." (laughter)

My point is that people of Hunterdon County deserve a choice. School boards should put on the ballot the referendum necessary to bring

about the process of beginning school consolidation. And school boards that don't, I don't think are doing their job.

FREEHOLDER KING: And then, final comment. The statutes that created the Executive County Superintendents -- and Jerry Vernotica, and I, and Ron have spoke often, and we're very enthusiastic about some of the progress, not only here, and the accomplishments here, but also in DelVal -- states very specifically that they are charged with the responsibility to create a plan to regionalize and/or create a countywide district. And that fell apart dramatically. And that was only 2007. And the reason why it fell apart dramatically is not because of the need, or the issues, or the wants of the people inside Hunterdon County; it fell apart because it wasn't properly funded, it wasn't properly enforced.

You have the means in your hands, by which -- that you can pick an organization like -- or county like Hunterdon, which is essentially homogenous, as Derek put forth before. We don't have the large differences between the urban and the rural aspects, and we all seem to know each other. And you can probably use us as a test case, if you'd like. So we're going to volunteer that this Committee take that into consideration, and think about whether or not there's a way that we can enforce the statutes accordingly in Hunterdon County, with the full support of the Freeholder Board.

And we thank you very much for your time and attention. And we're here to answer any questions you may have.

ASSEMBLYWOMAN SIMON: Thank you, Freeholder Deputy Director and Freeholder Walton. You are clearly champions in

Hunterdon County in starting the discussion and taking it further; and not having your horse blinders on is commendable.

And also, I think putting your money where your mouth is, as they say, and offering funds for feasibility studies is really taking the leadership role in things. So it's commendable.

Expand on your vision for the pyramidal admin chain for either regionalized or a county-run system.

FREEHOLDER KING: I don't know if we necessarily have a vision for how the administration should look. That \$100 million figure, when I first did the math and arrived at that, was just shocking. And I don't pretend to know-- I'm a mechanical engineer; I don't have a degree in education. I don't pretend to know how best to configure a school that serves 22,000 students. I know that other counties across this country are doing it; they're doing it well. These counties across the country -- it's not three counties in Mississippi; these are Blue Ribbon schools in Florida, in Georgia, in the suburbs of Atlanta. These are in North Carolina--

FREEHOLDER WALTON: Maryland.

FREEHOLDER KING: --Maryland. They're not Podunk schools in the middle of nowhere. These are substantive, good schools. And I would suggest that if you were going to try to configure a model that will work, look at those eight schools and see how they have their administration configured. That would be the place to start. But again, I'm not -- that's not my expertise.

FREEHOLDER WALTON: If I may further comment on that, Assemblywoman.

When we established the Executive County Superintendent's Office, each county had their representative. And that individual was in a position where they could essentially assign or design the architecture for the administration. Those individuals are now shared, yet it still costs -- somehow it wound up that its still costs the County \$153,000 just to have an office, where we don't even have a full-time individual. I would never let you think that I have any lack of confidence in Juan Torres, our new ECS, or the previous, Jerry Vernotica. But I would tell you that if they had the assignment and the responsibility, that they could use that money better.

ASSEMBLYWOMAN SIMON: What would be interesting is-- I remember when I was on Readington Township and we were looking at shared services, Freeholder Walton and I went down to Cumberland County -- Gloucester, actually -- and talked about tax assessors. I would offer to take this on the road again and go down to an area that's doing it. I know Virginia, actually, has four districts, and they're successful, and I would love to learn their model and learn from them. So I would offer to reach out to another state and learn from them -- how they did it also.

Do any of my colleagues have any questions?

ASSEMBLYWOMAN OLIVER: I have one.

Does Hunterdon County maintain a vocational school?

FREEHOLDER WALTON: Yes.

ASSEMBLYWOMAN OLIVER: Would you tell me a little bit about your vocational school? Because, of course, we are seeing increased interest all across the state in students who want to pursue a vocational educational track. Tell me a little bit about your voc-ed school in Hunterdon.

FREEHOLDER KING: Do you want me to answer?

FREEHOLDER WALTON: Sure.

FREEHOLDER KING: Okay. Polytech is our career academy -- technical career academy. It is, as I mentioned before, the last shared program amongst the districts in the state. And we are looking very closely at whether or not it should be its own district -- its own institution -- on a four-year -- two-year or four-year basis; and also the design of the career pathways and how that would work in concert with RVCC, our Raritan Valley Community College. And so that we can take kids -- just like any other organization wants to do -- bring them out, prepare them for an appropriate career at the culmination of either their high school level of education; and/or prepare them to go onto associate or certificate-type of activity; or onto the regular articulation agreements with the rest of the State colleges, or anywhere else they want to go.

It's a highly successful organization; very well run. And there's a new President, Mike McDonough, as of this year. I was privileged to be part of the selection committee for Mr. McDonough -- Dr. McDonough. And he is aggressive and eager to create the type of institution that we think is going to really balance with the primary industries we have here in Hunterdon County, which is health care, education; and also create new opportunities for us in small manufacturing and high tech, as well as STEM kind of activities.

So I think Kim Metz -- she's the Superintendent of Polytech -- is eager to do that. The Board of Chosen Freeholders has allowed me to take some lead in determining whether or not we need to redesign the Board for Polytech, so we're actually increasing the Board by 50 percent --

from four members to six members. It doesn't sound like much, and, fortunately Executive County Superintendent Torres sits on that Board as well. But we think that's going to bring in some very strong business aspects, as well as financial planning, so that we can start taking a look closely at Polytech and how it's structured -- not only from a facilities standpoint, but also from an educational standpoint.

ASSEMBLYWOMAN OLIVER: And I just want to conclude that you are two very impressive Freeholders.

FREEHOLDER KING: Thank you.

ASSEMBLYWOMAN OLIVER: I was a Freeholder in another era, and I don't think any of us were as knowledgeable as the two of you are. So Hunterdon's to be commended--

FREEHOLDER KING: Well, that's unfortunate. (laughter)

ASSEMBLYWOMAN OLIVER: --for voting for you.

FREEHOLDER WALTON: Thank you, Assemblywoman.

I would like to also comment. You mentioned earlier that you had a small town Mayor who was opposed to consolidation. I was the Mayor of a town of 1,600. I came down to Trenton six, seven years ago, when you cut my State aid by a significant portion, to scream and holler and complain about the fact that you were cutting my aid. And at that time I was opposed to consolidation; I have greatly reconsidered my position and have been a fan of consolidation -- both municipal and, certainly, schools. And my wife is a teacher at Hampton School, so I have more skin in the game than most.

ASSEMBLYWOMAN JASEY: Good to know.

FREEHOLDER KING: I concur.

Senator.

SENATOR RICE: I have to ask the question.

You know, obviously God has blessed me in my ethnicity. I happen to be African American, in case you haven't guessed. But I came to New Jersey the second week in January 1955 -- I always remind people of that -- at age 9, from Richmond, Virginia, where we have one of our products now in transitioning.

But that was right after the decision was made, in 1954, that overturned the 1896 Plessy v. Ferguson law -- separate but equal. And it said that we have to make sure that schools are integrated. So I have to raise questions, and every time I raise them, being black, some people say, "He's a racist." Well, I'm not a racist, but I'm going to raise the question; that's my job -- to make sure that we follow the rules.

Whether intentional or not intentional, what is-- Does anyone have any idea -- and I see Derek is not here; I don't think he's still here. Oh, Derek is-- Anyway, what is the ethnic makeup of the student population? I mean, you did a consolidation. What was it here, here, here, here, and here? And what does that mean? What is it, from a racial perspective -- if you know -- immigrant perspective, more or less? Because we still have to deal with English as a Second Language, and some of the disabilities, and special needs. Can you talk more about that? Was there any impact or push-and-pull relating to those kinds of issues?

FREEHOLDER KING: You know, in a couple ways we're blessed, and at the same time, we're challenged.

Our ethnic makeup is essentially 90 percent white; and then we have a 10 percent minority, kind of, constitution with a growing Hispanic

category -- mostly in specific pockets: Lambertville, Flemington, and one or two others, I believe.

So the majority of the people who are here who come from other persuasions -- especially in the Asian and Indian portion of it -- all come from families of high affluence; their parents are pharma, finance -- typical of what else is the makeup of this area. It's a very affluent community, Hunterdon County, one of the most affluent in the country; and carries with that the burden of, we have a very high cost of living to live here, because we've created that. And we don't necessarily support the opportunity for people who are making wage -- blue collar-type -- in order to be able to live here.

So we're fighting that from a different standpoint. We're trying to work with that from a comprehensive economic development strategy that we're in the processes of completing and getting approved by HUD, at this very time.

From an education standpoint, I would tell you that the makeup is consistent in its output, as those kids are coming out with APs or honors programs with respect to our ethnic makeup. So it's not that there is a group that's falling off; the numbers seem to track all the way through.

SENATOR RICE: Is there diversity on the workforce that, in the transition, they got lost there?

FREEHOLDER KING: No, I think what you're seeing here in Hunterdon County is we're moving just like almost everybody else is. It's a much more -- I'm going to use the wrong word there, so I won't do that. But we were probably 96 percent white no more than 10 years ago. So I think what you're seeing is the typical influx you're seeing in the rest of

New Jersey: more people moving in, more immigration status, more ethnic background from a variety of different races, creeds, colors, religion. I mean, across the board, we are becoming more and more diverse.

To us, you know, it looks like a normal process. There is nothing that seems to stand out. We don't seem to suffer from any of those issues, from an overt standpoint.

SENATOR RICE: Right. No, I wasn't trying-- I'm not trying to embarrass you. It's a question that needs to be raised across the board when we have these conversations. And some people are not comfortable raising them in the Legislature; some don't want to raise them; and some people, quite frankly, aren't comfortable answering them because they take it the wrong way. And I know that in other districts that may consider doing what you have done with regionalization, because of a transition of people or just the population that's there, there may be a difference.

And when you have those differences, then we get into not just the politics of "parties," if you will -- local government, county government -- we get into the politics of people; because the mindset goes back to the needs that are special needs in terms of a population, instead of an ethnic need, etc.

So the Joint Committee can't let these questions go unanswered as we move region to region and there's conversation. And that's why I raised it.

But I appreciate your response, okay?

FREEHOLDER WALTON: It's a good question to ask, but I went to Voorhees High School in the north part of Hunterdon County. We had 250 students in my graduating class, and there were two African

American students. And I think the class of 2014 has three African American students. Then I went on to NJIT in Newark, and that was quite an awakening for this white kid from Hunterdon County. But it was a good awakening, and a good education, and socializing -- and also from a technology standpoint.

But for good or bad, Hunterdon County is very homogenous in our population. We do have a greater influx of Hispanics coming into certain areas like Flemington and Lambertville that are more urban than other parts of the County.

SENATOR RICE: You do have good golf courses.

FREEHOLDER KING: Yes.

FREEHOLDER WALTON: We do have good golf courses, yes.

(laughter)

FREEHOLDER KING: Any time. (laughter)

ASSEMBLYWOMAN SIMON: All right; thank you very much.

FREEHOLDER KING: Thank you.

FREEHOLDER WALTON: Thank you.

ASSEMBLYWOMAN SIMON: We appreciate your testimony. All right, next up is Assemblyman Joseph Malone. Everybody misses you and is looking forward to hearing from you today.

ASSEMBLYMAN MALONE: I don't miss you. After listening to this, I just don't miss you. (laughter)

SENATOR RICE: Why are you always so honest?

ASSEMBLYMAN MALONE: I may love you, but I don't miss you.

ASSEMBLYWOMAN SIMON: Assemblyman Malone is the former Mayor of Bordentown and former Chair of the Assembly Task Force on School District Regionalization in 1999. And we're looking forward to hearing your testimony.

Welcome.

ASSEMBLYMAN MALONE: Thank you. I have copies of an old newspaper article that was done as we were doing the report. So I can let you have this, and it gives you some understanding, and I think a reasonably good perspective as to exactly what transpired when we did the report before.

I thought I shut this phone off, but I'll shut it off now.
(responding to his cell phone ringing)

SENATOR RICE: It's the Speaker calling you back to Trenton; I told you. (laughter)

ASSEMBLYMAN MALONE: No, no -- gosh, no.

Let me first say-- Look, Senator Rice, Assemblywoman Jasey, Speaker Oliver, and the rest of you -- I sincerely thank you. This is a cause that I tried to champion back in the 1990s. And there were a plethora of reasons why people felt that regionalization wouldn't work and didn't have its place in society in New Jersey. I had the opportunity, in my first term in office, of being in office when we regionalized our school districts. We had four school districts that served a population of about 8,000 people. And it was an arduous task; people were at each other, you know? And it worked.

Whether we saved a lot of money, I'm not quite sure. But I think the educational product is superior to the educational product that we had back when we were four school districts.

You deserve a lot of credit. When we looked at this in 1999, we looked at it with our eyes in 1999. You're going to look at it with a little different perspective; you'll look at it with some hindsight and with some foresight, and with the ability to look at it, I think, a little clearer and with a better understanding of what has passed, and what we need to do.

And Speaker Oliver, I'm going to tell you something. Your comments about the world changing now to look more towards students who need to have technical and vocational training-- When we went through a cycle that I was absolutely-- I spent my whole career in -- my professional career in technical and vocational training. And to see it, sort of like, go by the wayside -- and I'll say Cecelia (*sic*) Davy and a number of the Commissioners had no regard for people who worked with their hands. And I'll say that today. And I said it in those days, because it just wasn't socially acceptable to say that your Johnny or Susie was going to go into a technical career. And all of a sudden we find now that college kids who we thought were going to be flaming stars have now gone back and--

What was amazing, when I heard the Freeholders talk about Community College-- When I was at Somerset County Technology Institute I had all of the-- We retrained college graduates -- the students at Raritan Valley Community College in technical careers. And we had no problem getting them jobs. And I just hope that if you, in some way, can incorporate into this regionalization study the need to go back to a model of education that includes all children -- be they white, black, poor, rich; whether they have college aspirations or if they have trade and technical aspirations. That's something I think that has been lost in the last 10 years in Trenton; and I think it's something that people have to focus on.

I don't think my vision of this issue has changed one bit over the last 15, 20 years. It's an important issue; it's an issue I think that really needs not just an Assembly Task Force, but I think you need a Joint Task Force -- similar to what you have here today -- to bring the importance of this issue to a level at the Senate and at the Assembly, and working jointly to come up with legislation that will properly and adequately address the issues that were brought to you earlier today.

I'm not going to go over this report; I don't know if any of you have seen it. It's the 1999 report. Look at it; I think it's basically going to tell you some of the pitfalls you'll run into and some of the problems that you'll run into. A lot of the issues really have not changed; a lot of the intransigency has not changed. And the points you raised, Ron -- it's one issue to regionalize in a totally, or almost totally, white area of the state. Once you start looking at school districts that have racially diverse populations mixing with other school districts -- then you have to sit down, and it's really going to have to be a soul-searching effort to get people to understand that working together is a much better alternative than just walking away.

I have a number of school districts; I can give you one that we tried to work with -- Bob Singer, and I, and Mel Cottrell, back years ago. It had to do with a rural area: Allentown, Millstone, Roosevelt -- that area in Central Jersey. We got them a grant to do a feasibility study -- \$75,000, 15 years ago. You might as well have taken the money and burned it on the street, because they really had no desire or did not have the courage that was needed to look at what was necessary. And that was a really homogeneous group; it was not very racially, ethnically diverse. They just

had-- They were set in their ways. And you're going to have to go in there with a jackhammer and a sledge hammer and break up some of this concrete mindset that -- where they have to look at these issues openly and honestly, and as to what we can afford to do.

One thing in this report that I regret is that this report basically talks just about money and how to massage money -- and not really the honest effort as to what's the best education for the children for the State of New Jersey. And when I looked at this again-- You know, you look at something 10, 15 years later, it just jumped right out at me that that was not the focus of this; it was trying to figure out who was going to pay more, who was going to pay less. And those are issues that you will face as you move forward in this.

Just a few of the items that we ran across, and that we felt were pretty critical. And let me just give you a list, and then you can agree or disagree -- because the last thing I want to do is tell you what to do. I had my chance, and it didn't work. So you can have your chance and be more successful.

The public perception, the parochialism, the financial foundation for regional communities on equal payment of the children in the regional districts -- you're going to face that where some districts are paying far more into the district than they have in school population. The impact of charter schools: This was something that did not even become an issue when I was doing this other issue. The contract issues that Assemblywoman Simon brought up, about the negotiations between various bargaining units -- that was a very difficult situation. Use of facilities.

One that probably is going to surprise you, but one that really created some real problems, was loss of sports teams -- and people going berserk because one school or another-- There were rivalries within areas that would be dissolved; and people would go absolutely crazy that their Johnny or Susie isn't going to play on the Spartans, and Billy's not going to play on the Trojans. I mean, it's just crazy that that became an issue. And I think it was really involved-- That came up in the regionalization issue up in Union County -- about Grant High School, if I remember correctly. So you could do some research and find out. But that became a major issue in the regionalization -- the loss of sports teams.

The one that Ron mentioned -- the demographics of the districts to be regionalized. That will be a critical issue. The displacement of elementary school children: When we regionalized our school district, they reshuffled the use of facilities and where the students were going to school. And some people, like-- We had all of our students in Bordentown City -- which is the smaller, built-up area -- they all walked to school; all their lives, they -- their parents walked to school, everybody. Now they were being bused to another school building -- which was only a half-a-mile or three-quarters of a mile away, but it wasn't them walking home with their sons and their daughters, and having that community kind of atmosphere.

These are things that motivate people to say no to something that's logical and rational. And I can remember going to a school board meeting where women and parents were just going berserk about their sons and daughters not being able to walk home with their siblings. It was just a very difficult situation.

And the most important issue -- the issue was the use of pilots in causing different--

ASSEMBLYWOMAN JASEY: The use of pilots?

ASSEMBLYMAN MALONE: Pilot programs.

ASSEMBLYWOMAN JASEY: Okay.

ASSEMBLYMAN MALONE: Because that is occurring right now in our regional -- in which the larger portion now is using pilots for developers. And it is going to have a negative impact on the tax base and the monies going into the schools. So that's something you should also keep in mind when you're looking at the regionalization.

Let's say, for example, if it's not Lambertville -- if it's West Amwell, is it? If they start to have a boom in development and the property value of that township skyrockets, and they don't increase substantially the number of students, and they start paying a lion's share of the cost of the school -- they are likely to go crazy because it will be a burden on their taxpayers. So this is something that is occurring now in the regional district in which I live.

And most importantly, always keep in mind the education issue -- the education of the children. And that has to be paramount. The other issues are the other issues; but the education of the kids-- And I think all of us on both sides of the aisle, when I was there, didn't do the right thing when it came to education. Whether it was school construction and the misuse of funds, or not funding the formulas, or doing other kinds of things -- we all did mischievous things that ended up not being in the best interest of school children.

Look, I spent 8 years teaching in New Brunswick, I spent 8 years at Educational Testing Service, and 21 years at Somerset County Technology Institute. And I've had kids of all ages, everything else. And I look back as I'm getting older now, and I do have some regrets: That I did not make a bigger difference in the lives of students, and in the lives of -- in education when I was in the Assembly.

So I just ask you, don't have that same doubt or regret when you leave. You have an opportunity here now; I think you have the gravitas of this Committee being the impetus to push-- I saw Senator Sweeney the other day-- And look, you have good people in both houses that I think will really, truly get behind your initiative, Assemblywoman and all of you, in moving this issue forward.

And if there is anything I can do in my small way, as being a Mayor in Bordentown City again, I will be glad to do whatever I can to help you. You all are tremendous people, and it was a privilege and an honor to work with all of you.

And I must say to Senator Rice -- anytime you ever had a problem, regardless of what side of the aisle, if you went to Ron Rice about something on education, he didn't care if you were black, white, green, purple; whether you were a Democrat or Republican. If it was an issue, he was there to help you solve that. And the same thing with the rest of you -- Sheila, and-- I'm just very proud to have known all of you. Just keep it up, do your thing, and you will be a success. And this issue will be in the rearview mirror, hopefully, in the next three or four years.

Thank you very much. If you have any questions, I'll be more than glad to answer.

ASSEMBLYWOMAN OLIVER: I do have questions.

ASSEMBLYWOMAN SIMON: Thank you, Assemblyman.

I just want to comment. Your comment about breaking up the concrete mindset -- every child deserves a great education, a fighting chance. And our mission is exactly what you just said. It has nothing to do with politics, it has nothing to do with race, color -- anything. It has to do with-- Each of these kids -- without sounding corny -- are flowers, and we have to water them. And we have to make sure that the education of the children is the number one thing for this. And like you said, everything else falls in place.

Anybody have any questions?

ASSEMBLYWOMAN OLIVER: I do.

And I'm going to impinge on Assemblyman Malone in his Mayor capacity.

You know, I have significant numbers of constituents who went to Bordentown Training School (*sic*). And you and I, in previous years, had discussions about interests. And they have a very active alumni organization. Some of the state papers have told the history of that school. But, you know, without question, it was an era of time, sort of back in the 1930s in the South, where students of color went to technical training schools. That property still sits vacant.

ASSEMBLYMAN MALONE: Yes,

ASSEMBLYWOMAN OLIVER: It's still owned by the State of New Jersey.

ASSEMBLYMAN MALONE: I'm going to be honest with you. I had -- I don't want to steal anything from Dr. Martin Luther King -- but I

did have a dream. I would have liked that facility to be a two-year residential community college. The facility is basically very much similar to what Trenton State looked like back -- Trenton State when I went there. The character of the facility, the character of the people who went to that facility -- many of them who mentored me growing up. And I can assure you that even some of the people who are still around, who went to that facility, I meet with on a routine basis in town, or at functions, or something like that. It was a marvelous example of truly a fine educational institution. It was affectionately known as *The Tuskegee of the North*.

ASSEMBLYWOMAN OLIVER: Right.

ASSEMBLYMAN MALONE: And I guess you have seen that there is a DVD that was produced about the facility. And I drive by that probably at least once a day, probably, going to the supermarket or going someplace. And it's still there; it's still viable. And if you haven't had the chance to go through the facility, you should make an effort to go through it. It screams of history and it screams of something that is probably one of the finest institutions of its kind -- some of the most prestigious educators in the world either taught or lectured at Bordentown Manual Training School.

ASSEMBLYWOMAN OLIVER: But it's just shuttered?

ASSEMBLYMAN MALONE: It's basically partly used by the JJC now.

ASSEMBLYWOMAN OLIVER: Okay.

ASSEMBLYMAN MALONE: They have two buildings they use on campus -- they use the Hayes building and the Valentine building. But the rest of the facility is basically vacant.

Thank you.

Senator, you had a question of me?

SENATOR RICE: Let me just say it's good to see you again. And just call; we're only a phone call away, as Legislators, and we're still your colleagues.

I also want to thank you for your words of history; and the fact that you reminded some of my new colleagues, and some folks who are here who may be new in the capacity, that we dropped the ball, we didn't get serious, collectively, as a legislative body. I'm not talking about you; I know a few others. No one listened. And it is hurting the kids. And that's why I'm glad to see the new President of the State Board here, and I hope he heard what you said. Because throughout New Jersey and some of these districts, the Board has an intricate and a statutory responsibility also to make certain that these districts are functioning. But when they have Board meetings and people go down there and feed them a bunch of crock, and they don't go into the districts to find out, firsthand, what's going on -- the way we've always done it, the way we're doing it -- then the kids continue to get hurt in the process. And most of the blame falls on the Legislature and those of us who want to care.

And that's why I asked the Board President to -- I want to talk to him afterwards -- because there was just such an action. So--

ASSEMBLYMAN MALONE: I'll leave before that conversation happens. (laughter)

SENATOR RICE: So the thing is, I just want you to know that. We're going to hold everybody accountable -- whether they are appointed or elected -- we have to. That's what this Committee is all about.

ASSEMBLYMAN MALONE: Assemblywoman, lean on some of these people. They are really good people.

ASSEMBLYWOMAN SIMON: I'm proud to be on this Committee.

ASSEMBLYMAN MALONE: And this cause is worth fighting for, and they're worth having on a team to make it work.

ASSEMBLYWOMAN SIMON: Absolutely.

ASSEMBLYMAN MALONE: So again, I thank all of you.

ASSEMBLYWOMAN SIMON: Thank you.

SENATOR RICE: Thank you.

ASSEMBLYMAN MALONE: And have a great day.

ASSEMBLYWOMAN SIMON: Thank you, Assemblyman.

ASSEMBLYWOMAN JASEY: Thanks for coming.

ASSEMBLYWOMAN SIMON: Thank you very much.

All right, next we have Gina Genovese, Executive Director of Courage to Connect New Jersey.

Good morning, Gina.

G I N A G E N O V E S E: Thank you, Co-Chairs and Committee, for having me speak today.

I am Gina Genovese, Executive Director of Courage to Connect New Jersey. And we are a nonprofit, nonpartisan organization that has been working the past five years with municipalities, local officials, residents, school board members, fire commissioners -- anyone who wants to discuss regionalization and consolidation.

And as Derek said, we believe, as an organization, that this must come from the bottom up with, hopefully, support from the State.

And that's how we work -- we work with the residents and the local officials, and the local school board members.

We also hold annual seminars to try to highlight the successes of New Jersey. And two years ago we had the Princeton success, which we had at Princeton University. And this past year we had a seminar, that was well attended, with the South Hunterdon experience, and the Board members spoke. And that's what I believe has to happen in New Jersey, and that's why I'm really happy today to be testifying in front of you today. This is part of being successful in New Jersey.

My testimony today is a result of numerous in-depth conversations with superintendents, school board members, business administrators, parents, and students around the State of New Jersey.

It was an honor for our organization to assist South Hunterdon in the final few months, when it was on the ballot for school regionalization. We learned a lot working with them; and what an amazing group of people.

One stumbling block that I see towards regionalization in New Jersey is that it's very common when people say, "My district is better than your district," or when, "My district is more efficient than your district." And it's very nice to be proud of your district, but that's also very divisive. And if any district in South Hunterdon said that, I do not believe that school regionalization would have happened here.

Their success has also pushed innovation, which has been discussed today -- where they dissolved four school districts and created one school district. As we know, around the State of New Jersey, a lot of regional high schools have the problem of different towns paying different

amounts, and some can be much more than others. I was also the Mayor of Long Hill Township, and we had Watchung Hills Regional High School, where each town would pay a considerably different amount.

And so there is an opportunity for you to take it to the ballot to change the local funding formula between enrollment and equalization. And that is what South Hunterdon was able to do, because this was a ballot initiative.

But because they regionalized, and we're going to save -- or see some savings, they changed the funding formula between enrollment and equalization so that each town could see a benefit. And that is very important. Because if other schools with regional high schools like mine went to the ballot to change the funding formula so that each town could potentially pay not parity but similar, it really wouldn't pass. Because, at that point, one town would be paying a lot more, and one town would be paying a lot less.

But through regionalization, if you are saving administrative costs and you're cutting down on some -- you're experiencing some efficiencies, you would be able to change that local funding formula so that hopefully each town could see a benefit.

As we know, New Jersey governors and legislators have been talking about K-12 unified districts in New Jersey for decades. And now we have the 2 percent cap, we have schools that are cutting gifted and talented programs, farming programs; we have increased competition with charter schools and the thought of privatization; and that many schools in New Jersey now -- many small schools in New Jersey are being supported by the Choice Program to be able to stay alive. Maybe now there's enough

incentive in New Jersey to really talk about consolidation. And not just talk about it, but to do it.

When I hear that a superintendent of a school of 500 or fewer students really is a principal; and that the school business administrator is underutilized; and, as we heard today, when several K-8 districts send to a regional high school and that the first few months is trying to get all the students on the same page -- I say, "Who is this serving, and where is our future?"

But regionalization has to offer more than just savings; it has to -- as was discussed today -- it has to make the schools better.

So let me make a suggestion. This past year, according to *U.S. News and World Report*, 7 out of 10 of our best high schools, our top high schools in New Jersey, were vocational, tech, and magnet schools; 7 out of 10 theme-based schools. So maybe -- maybe if districts regionalized we could have a middle school repurposed as an engineering school or an IT school. Options are good. If we had two districts with two high schools regionalize, maybe we could have a visual and performing arts high school; maybe we could have an entrepreneurial high school. Does that sound crazy to you? Because Montclair Public Schools are already doing that today.

And so we have a model in New Jersey that's working. And potentially -- potentially, through regionalization, we can create these options that will benefit everyone.

Now, from my personal experience, I teach about 200 students in the Union County area. I teach tennis, but I ask them about their homework, I ask them what they're learning, their courses. I really have in-

depth conversations with all of these students. And I have to tell you that my regular students, compared to the Union County magnet students -- it is significantly better, the Union County magnet school; I find it significantly better than the high schools in our area. And that is why they are 7 out of the 10 -- they are a part of that best schools in New Jersey.

So perhaps regionalization can give us a chance to innovate, an opportunity to reduce our administrative costs, and to keep our public schools public. We can, then, better serve the taxpayers and the students.

Thirty-two South Hunterdon school board members showed us the way with their hard work, leadership, and trust of each other. Look what they were able to accomplish. It's really time to follow their example and further reduce the number of separate administrative school districts.

We all have great schools in New Jersey. I believe every school is great in New Jersey. But I also believe that they would be better together.

Thank you.

ASSEMBLYWOMAN SIMON: Thank you very much.

Any questions?

ASSEMBLYWOMAN JASEY: Just one.

When you talk about the magnet school in Union County, are you talking about the Vo-Tech?

MS. GENOVESE: Yes, I'm talking about the Vo-Tech; yes.

ASSEMBLYWOMAN JASEY: Okay. Which, I will say that this Committee, several years ago, had the pleasure of visiting when we spent a year visiting the various vo-techs. And I think that they do have a tremendous amount to offer. And I hope that we'll be able to continue to work towards more funding and opportunities, increasing the seats of those.

And then, on a personal level, did we meet at Seton Hall?

MS. GENOVESE: Yes, we did.

ASSEMBLYWOMAN JASEY: I thought so.

MS. GENOVESE: Yes, we were on a panel together. (laughter)

ASSEMBLYWOMAN JASEY: I never forget a face; okay. It's good to see you again.

MS. GENOVESE: Yes, it's good to see you again.

I also, for our seminar, I had asked the School Board members to write down a timeline of their effort. And it is quite extraordinary; it's actually both sides of what they did. And I have it to share with you, because I think it's quite impressive.

And not to blow my own horn, but we are an organization that is not going away. And we have a lot of resources. And I have to tell you, every School Board member from South Hunterdon said, "Gina, I will be a resource for the next-- I will be a resource for anyone who just wants to talk about this subject." And that's also important -- that there is a nonprofit, nonpartisan organization in New Jersey to support this process. Because, as you know, there are so many moving parts, there are so many stakeholders. And we all have to win, moving forward.

And that's what we are mindful of. So I hope that we can assist you in the future, or assist any other effort, because it's all about making us better -- not only our communities; our school districts, and also our State.

ASSEMBLYWOMAN SIMON: Thank you.

Anyone else? (no response)

I just wanted to say thank you. I met you a couple of years ago when you had the presentation on municipal consolidation, and I thought it

was extremely impressive. And I'm proud to say, in South Hunterdon -- Stockton is in my District. And on the municipal side, Princeton -- the Borough and the Town -- consolidated, and I also represent that.

The question that I have: A school board member had asked -- or had stated that they thought that municipal consolidation should come before school consolidation. I think with 590 school districts and 574 municipalities, I think it all needs to be done. But when you look at the pie, like the Freeholder said before, of 67 to 70 percent of our tax pie in education, and 16 to 20 percent for the municipal side of things, in your opinion should that come first -- should municipal come first? Or should we be concentrating on the educational part of this?

MS. GENOVESE: Well, we're just a resource. We never go in and say, "Your town should be together," or, "Your school systems should be together." So I really try to stay neutral on that.

ASSEMBLYWOMAN SIMON: Okay.

MS. GENOVESE: Having said that, there's a 2007 law, which is the local option law, which gives citizens the power to form a consolidation study commission. And I am happy to tell you, and very proud, that there have been three citizen movements -- and I believe because of our organization -- that have successfully used that law.

Now, with school regionalization, that has to be initiated by school board members. The citizens do not have that power and right to do that.

So the Princetons consolidated, but they already had a consolidated school district. And now we've had citizens in Scotch Plains and Fanwood -- are trying to look, if they can get some funding from the

State, to look at consolidating municipalities. They also have a consolidated school district.

But now we were working with school board members in Mount Arlington and Roxbury. And they have been granted permission by the State to look for municipal consolidation. They're forming the consolidation study commission now, and that would be both municipalities and school districts. They have a K-8 that sends to Roxbury. So that would be really groundbreaking for New Jersey -- that we would now have a model of having both the towns and the school districts. Which I hope that they are at least able to do the study, because I think it would reap some innovations and would help us out.

ASSEMBLYWOMAN SIMON: I thank you for offering to hold hands. I know that there are many school districts that are very interested in that and just don't know where to turn.

So between you, and Courage to Connect, and Derek, and the South Hunterdon model, I think that we can take this momentum and start moving forward, and taking that talk into helping others do the same.

I know we have representation from Madison and Newton who are also here to listen and to learn and, possibly, to carry on in the same model.

So thank you very much. We really appreciate you being here.

MS. GENOVESE: Great. And each time we do it I think, as New Jerseyans, we can do it better and better. And that's what we have to do.

So thank you so much; I really appreciate you having me here.

ASSEMBLYWOMAN SIMON: Thank you, Gina.

All right, next up we have NJSBA.

Good morning.

MICHAEL VRANCIK: Good morning, Assemblywoman.

JOHN J. BURNS, Esq.: Good morning, members of the Committee.

ASSEMBLYWOMAN SIMON: Can you just identify yourselves?

MR. VRANCIK: I'm Mike Vrancik; the Director of Government Relations. I'm going to be very quick.

We've handed you a copy of a position statement, and also an outline that we share with board members, including the policies we've established.

We work together with this regionalization here in South Hunterdon. And what I'd like to do now is introduce John Burns and Mike Kaelber. John worked directly on this process; Mike is our Director of Legal and has some insights into the process, generally, across the state.

Thanks.

ASSEMBLYWOMAN SIMON: Thank you.

MR. BURNS: Thank you, Assemblywoman Simon; and Chair and Vice Chair of the Committee. We thank you for the opportunity to be here before you today.

NJSBA's position with regard to regionalization is very simple: first, the decision to regionalize must be, as Derek said, a home-grown decision. Second, the State should provide seed money to assist with those regionalization efforts. With those two components we believe then that, for those districts where regionalization is possible and where

regionalization is wanted, that then they can, just like South Hunterdon, be successful in their efforts

With regard to the South Hunterdon regionalization, NJSBA provided a variety of different kinds of support. We provided support from the standpoint of our Field Services Division working with the various school boards. We also provided assistance with regard to board governance; assistance with policy; and also assistance in labor relations and the challenges of harmonizing those four contracts.

And so with this we believe that, yes, there could be more regionalizations in the future. But the key is, it has to start with those districts, those communities first wanting it; with the support of not only private organizations like Gina's, but also support from the State.

That being said, Mike Kaelber, our Director of Legal and Labor Relations Services, has both a professional and a personal history with regionalization, from the standpoint that he is the person in our organization who, when any district comes with a regionalization question, they go to him. He has been with us for some 20-odd years now, and he is our regionalization guru. And we're really here to help foster that conversation.

M I C H A E L F. K A E L B E R, Esq.: Thank you, John.

And thank you for the opportunity to testify before you today.

We've given to you a comprehensive outline that we've put together. It's been-- And John just gave me three more years at the Association, so that means three more years in the pension system. So that's a good thing. (laughter)

I live in Woodbridge Township, in Middlesex County. I grew up there, I taught there for 13 years before I got on the legal side of things. And I look at my community, and we're a regional -- but not a regional. We are a large school district in Woodbridge. We have over 12,000 kids; we have three high schools; we have 5 middle schools; we have 12, 13 elementaries. So it's not unlike regional configurations that you see. Growing up, yes, there were high school rivalries; there are still high school rivalries. And growing up in a particular part of town -- I grew up in Colonia -- Woodbridge and Kennedy were like foreign countries, they were so far away, but it was all within the same governance structure.

So those efficiencies of scale, those academic and educational benefits were within that district. And I heard a lot today about articulation of curriculum and the ability to do that more easily within a regional structure.

There are some nonregional structures that do it well, I will tell you. You have some small elementaries and feeders into high schools that manage to do that. But it is much easier to do when you have a regional or a larger structure like that.

Having said that -- it also depends on the people more than anything else. I mean, my wife's a teacher, my son's a teacher, my daughter's a teacher. So we have interesting discussions at the dining room table. My son-in-law is the only person who is not in education; he doesn't quite understand all the dynamics, but that makes it more fun.

I will tell you that within our district, kids coming from different middle schools come with different backgrounds and experiences. And if you talk to the high school principals they will tell you that kids

from such-and-such maybe aren't as well prepared, or these kids are better prepared. So that dynamic doesn't go away, but it is easier to accomplish in a regional structure. I think that's an important point to make.

In the information we've provided you here today, you'll see a history of regionalization in the State on pages 1 and 2. Attempts to incentivize -- if that's a word -- regionalization: extra State aid for a few years or, at a minimum, no decrease in State aid; because one of the issues sometimes is when you regionalize, the pot of State aid that would have gone to all of those districts previously is actually smaller now because the demographics have changed in the overall regional -- that's an issue.

We haven't seen a lot of regionalization. You've heard references to 20 years ago -- Great Meadows and Somerset Hills regionalized in 1993; and John mentioned my tenure at the Association. It's been my pleasure to work with districts for more than 20 years on these issues. Great Meadows was held up as a poster child for many years, as being the only regional district in the state that allocates costs on a per-pupil basis, 100 percent. They took advantage of a law that was passed in 1993. Interesting anecdote: 10 years later, the folks in Liberty didn't like the formula anymore. They looked over at the Independence community and said, "You guys have more ratables -- you're richer than we are, you should pay more." So that satisfaction issue is always there.

Costs of allocation is an ongoing issue when you start to talk about how -- getting regionalizations forward. One of the reasons it worked well in South Hunterdon is that you had communities -- and we've heard reference to it from you and from the speakers today -- that were relatively similar socioeconomically. They were very similar, so there wasn't a great

deal of winners and losers. So the focus was on educational issues, which made it work.

Going back to Great Meadows in 1993 -- the reason they regionalized was for better middle school programs -- their K-8 regional. But that was the driving force in that regionalization.

So the educational aspects, I think, are significant when you look at all of these.

A couple of points to be made. You mentioned the collective bargaining issue. On page 12 of our outline we have some information there about the contract in place. The contract from the district that has the largest number of certificated staff is the contract that goes in place with the new regional. And then a new union comes into place, and a new management team, and they negotiate the successor agreements -- from a 1995 piece of legislation that included that, basically, all tenured seniority contractual rights are preserved. So we're working with the South Hunterdon District. Pat Duncan of our Labor Relations Department has evaluated all of the constituent contracts; has pointed out areas of agreement, nonagreement; has worked with the Board on that issue. And they're moving forward on that. But it's interesting -- some of the things that you can question. Like, when the regional first formed, who's the union? "I don't know." "You still have existing districts; you're not a new District yet." So ultimately there needed to be a new majority representative chosen to come in and negotiate that. And when you put those new contracts together, it's all the same challenges that districts are looking at now in negotiations, particularly now with the 2 percent property tax cap. And you heard about health care contributions, and where are the

steps -- I mean, what were the increments in previous agreements? A lot of them were 3, 4 percent increments, year-by-year, that now exceed the cost of settlements. So now you have to restructure the whole structure of your salary guides. So that becomes a big issue down the road, and that's something that they're working with right now. We're helping them with that, to the extent that we can. But we're all watching them because they're the first in a long time, and certainly the first under this new law. So that's a particular issue.

You asked a question about transportation. One of the pieces -- and I don't think it was addressed -- was that Lambertville and Stockton were walking districts. Now that they're all transportation districts, there's now been triggered, in those two communities, a nonpublic responsibility for nonpublic transportation. I don't know what that's going to be, down the road -- how many kids go to nonpublic schools -- but once you trigger a transportation responsibility, there's a nonpublic busing responsibility. So what that may be or not be, factually, it will play out here. That's an interesting aspect about the change here.

We talked about cost allocation, we talked about collective bargaining. The Freeholders referenced putting a referendum on the ballot with respect to, perhaps, a nonbinding referendum -- I think that's what they were saying -- "Would you like to pursue regionalization studies?" School districts do not have that authority under statute -- only municipalities and counties do, for nonbindings. However, it hasn't prevented certain municipalities from putting these questions up on the ballot. I'm thinking Woodcliff Lake; I'm thinking of, most recently -- not on a regionalization issue -- but in East Newark there's a ballot question

going up on the General Election ballot from the municipality that relates to the send-receive relationship there that was allowed to go forward. So there's means to do that within the existing structure, but if you'd like to see school districts have that authority -- and we can debate whether that's a good thing or a bad thing -- you'd need a legislative change to go there.

There was also a statement made about school district regionalization needing to be initiated by the boards of education. If you go to page 9 and 10 of the outline, there's a couple of pieces there with respect to, if you're looking at withdrawal or dissolution -- and they dissolved here, first, before they reconfigured -- the dissolution or the withdrawal can be brought by the governing bodies to the Executive County Superintendent to move forward on a feasibility study. So there are mechanisms within there.

One last piece, and that is the money for regionalization studies. Back in 1999 -- and I think we've listed it in page 2 of the outline -- one of the pieces that dealt with the REDI grants -- the Regionalization Efficiency Development Incentive grants that were available at that time. I know we worked with certain districts to help them apply for some of those to do feasibility studies; I'm thinking of West Morris, in particular, in terms of their feasibility study back in 1999 and 2000. I don't know that there was a preconceived notion as to what the outcome was going to be when they sought the grant. But they did look into the study, and they did analyze it. And it's been around and around up there, in terms of how they can reconfigure their district. So it's something they've talked about for a long time.

I could talk about this stuff for hours, so I'll entertain whatever questions you may have. And we stand ready to help you in any way, shape, or form.

One last piece: On page 3 of the outline you'll see included the Assembly Task Force from 1999; and a series of regionalization study reports that the Department and the State has done over the last few years including Ernie Reock's studies on regionalization. He's probably been before you before, I'm sure. We can make any of those available to you, because we have them at our disposal if you'd like to have that information.

So any questions?

ASSEMBLYWOMAN SIMON: Actually, if you could send them to all of us, that would be wonderful.

MR. VRANCIK: Okay, we can do that.

ASSEMBLYWOMAN SIMON: Great.

Any questions? (no response)

No?

All right, well, I have one question.

Well, thank you very much for working with South Hunterdon, for being agreeable, and partners in this measure. I think it's a wonderful thing.

Where do we go from here? How do we communicate to the 590 school districts, and how do we encourage more to model after South Hunterdon? What would you suggest?

MR. VRANCIK: I'll defer to John, too, on that. I'll give you my 2 cents worth.

I think we educate them. We indicate what -- as we've done in the past with the regionalization presentations -- here are the pluses, here are the minuses, here's what you need to do; bring in different constituent groups. And if a district is looking to move in that direction, we can help assist them in giving them a full plate of information so they are well informed and can make good decisions.

Ironically, in January of 2009, I met with the leadership of the different districts in the library here at South Hunterdon High School to talk with the presidents, and vice presidents, and the County Superintendent about just what it would take for them to regionalize. If that had an impact on what they did down the road, I feel good about that. But at least they were informed and they understood what they needed to do.

ASSEMBLYWOMAN SIMON: Okay. All right, thank you very much.

MR. VRANCIK: John.

MR. BURNS: Thank you.

MR. VRANCIK: Thank you.

MR. BURNS: Just to add one last piece with this, with regards to getting the word out. I think, first of all, the South Hunterdon experience certainly did get a lot of press when it was finally officially made into a new District. And regionalization is always something that we at the School Boards Association talk about in a variety of capacities, whether it be individual board members calling us up wanting to know information about regionalization; or we have, through our county School Boards Associations -- sponsoring various talks and those kinds of things about

regionalization. So we stand committed to continue those efforts with regard to getting the word out on regionalization.

ASSEMBLYWOMAN SIMON: All right.

MR. VRANCIK: We have a Field Service Department, so that we have regional field service representatives that work with school districts across the state. So when they are faced with and given an opportunity to talk about regionalization, they are quick to refer it to John, to me, to Mike, to whomever it may be who can help provide them information to move them in a direction where they want to go.

ASSEMBLYWOMAN SIMON: Okay, all right. Thank you very much.

MR. VRANCIK: Thank you.

ASSEMBLYWOMAN SIMON: Next up, NJASA, Melanie Schulz, Director of Government Relations.

Good morning, Melanie.

M E L A N I E S C H U L Z: Good afternoon, everyone. It's always great to be back--

ASSEMBLYWOMAN SIMON: Good afternoon.

MS. SCHULZ: --with the members of the Joint Committee.

On behalf of NJASA and its officers and members, I am pleased to be speaking with you today on the topic of regionalization of school districts.

SENATOR RICE: Can you tell us what NJASA stands for?

MS. SCHULZ: New Jersey Association of School Administrators.

SENATOR RICE: Oh, okay.

MS. SCHULZ: Voluminous studies that exist on regionalization or consolidation attest to it being both complex and debatable. Attached to my comments I have itemized some of these reports for you; you will see that they go over -- span a number of years. And I also would be happy to make any of them available to you.

As you can see, there has been no shortage of government officials, government entities, or outside organizations that have taken this issue to heart spanning many decades. These reports represent the policy end of regionalization. There are also feasibility studies that are completed each year by districts that are interested in taking a serious look at how they might come together, and what both the benefits and the barriers might be.

What they all appear to have in common are the following: The benefits and opportunity for articulation of curriculum across the districts; sharing their expertise; enhancing their program offerings; and a diversified educational experience.

The barriers, however, are that there may be no cost savings; new transportation costs may be incurred where none existed; the tax apportionment may be lopsided amongst the towns; and debt service may be incurred by districts that did not have this obligation.

NJASA maintains that the decision to regionalize must be a local one. We arrive at this conclusion based on the many studies we have read and have participated in, as well as the Summary Report issued by NJASA in January of 2004. I've included that in the packets that have been handed to you.

Additionally, between September 2008 and June 2009 NJASA conducted four hearings -- Mays Landing, Toms River, in Freehold, and in

Branchburg -- and invited residents to listen to a panel of experts speak on school district consolidation. This was followed by the Trenton perspective from various legislators, and then a time was allotted when the audience could ask questions.

These forums, while appreciated and well received, served to educate a larger population on this topic. But the conclusions did not vary from the multitude of hearings and studies that have been conducted since the 1960s. In general, regionalization or consolidation of school districts will not result in a net savings to taxpayers. Where tax savings would occur by regionalization, it almost always resulted in a tax increase to other districts entering the relationship. And the districts that have been successful at regionalization have been the exception, not the rule. I think that's evidenced by the fact that we've heard today that it's been many, many years between the last regionalization and the South Hunterdon.

Generally, the topic of administrative cost savings takes center stage when regionalization is discussed. I want to point out that New Jersey ranks the fifth-lowest in the nation for school district administrative costs, and this is according to the annual rankings by the National Center for Educational Statistics.

Where there can be benefits derived from consolidating districts -- such as articulation across the curriculum and increasing the number of course offerings -- these may be overshadowed by increased transportation costs, increased tax levies across the affected municipalities, and increased costs related to negotiated labor agreements.

In addition, if a school district brings significant debt service to the alliance, there may be no savings, and there may be new debt where none existed.

So what has been happening? We asked our members what they're doing to reduce costs and sharing services, while not affecting any interruption to quality programs. And some of the responses are contained in my testimony.

River Dell Regional, which is up in North Jersey, shares a curriculum supervisor with their two sending districts; down in Collingswood, which is in southern New Jersey, they share services with Oaklyn Public Schools -- they share administrative services such as a Superintendent, BA, curriculum staff and support staff, and secretaries, on and on. And then in Oldmans Township, which is really southern New Jersey -- that's down in Salem County -- they began looking to share service activities with Oldmans Township; and there's just pages, that go on -- that I have in my testimony -- of cost savings that they have been able to incur by sharing services with some other school districts and with their Township.

In addition, school districts have joined with other districts and/or their municipalities to purchase things like unleaded gasoline, diesel fuel, and heating oil; and some districts have joined together to form insurance pools. Everything from the purchase of copy paper to the services of OT-PT, speech, psychologists, social workers, and on and on, is being shared throughout the state.

The information above is but a small snapshot of continuous efforts by our members to look for ways in which school districts can spend taxpayer money wisely.

And having worked with this Committee for some 22 years, I know that one of the things that you appreciate when people come before you are suggestions as to things that you might consider. So we're suggesting that until such a time money for feasibility studies becomes available -- because they are pretty costly; we've estimated that it can be from \$10,000 to \$25,000 if a higher ed organization -- institution does this, and much, much higher if it's a private contractor -- we would like you to consider -- to encourage school districts sharing services and internal administrative efficiencies that reduce costs among the school districts. And that you might consider convening a statewide consortium at which the Department of Education, legislators, policy makers, school districts, and educational organizations -- I mean, just municipalities, because I think municipalities really need to be at the table -- to talk about how to best come together to implement services, and discuss the challenges and possible solutions to any barriers that might exist.

In closing, I would just like to quote a paragraph that is contained in a 1998 final report of the New Jersey Regionalization Advisory Panel that was created under the CEIFA Act.

"It is the panel's view that regionalization and increased use of shared services will improve educational opportunity, both by improving efficiency and by making better use of facilities and professional resources available to both local districts. Neither regionalization nor shared services is a panacea, however. They will not be a substitute for adequate funding of

education. The most efficiently run school district will still incur considerable costs, including teacher salaries, maintenance of physical plants, and investment in textbooks and technology.”

I thank you for the opportunity to come before you today. And, certainly, I will be happy to answer any questions or send you further information.

ASSEMBLYWOMAN SIMON: Thank you, Melanie.

Any questions? (no response)

No? I have one.

Can I just get your opinion on what you think about regionalization versus a county-run model?

MS. SCHULZ: Well, I think that, you know, for us and for what I have been able to research, it's less about the academic side, about the educational side, and more about the residents and the tax levies. I think the conversation always needs to start with the constituents. And districts are really trying to increase their efficiencies by sharing the services through better curriculum articulation. And so they're really concerned with the district and running -- especially the sending-receiving relationships. Children can come to them unevenly. So by sharing services across the curriculum end they've been able to sort of even that out.

The consolidation end of it or -- whether it's a county district, or just to regionalize some towns -- that debate has just gone on for decades because of the tax situation -- you know, the winners and the losers. And I think it's much less about the children and much more about taking a look at individual districts and how they can come together. South Hunterdon was fortunate; they're pretty homogenous in their tax base. And they had

that sending-receiving relationship. They were already doing a lot of talking. We've heard today that the people were almost one community, even though they hadn't formally made that compact. That's not the same in other parts of the state and with other districts.

And so certainly I think that having -- continuing this conversation is very wise. And we would be more than happy to participate in it. My superintendents certainly have a much better on-the-ground view than I do, as a person who's developing policy and not actually working with those districts and those towns.

So I would ask to defer to them; and I think one of our superintendents is actually coming before you. Maybe he can give you a better sense of that kind of thing.

ASSEMBLYWOMAN SIMON: Okay, all right. Thank you very much.

SENATOR RICE: I have a question; sorry, Melanie. It just came to me.

Are there lists of districts that are either having these discussions, or should be looked at for regionalization? For example, I know you're not going to regionalize Newark; it's just too big a District. And you're not going to regionalize, say, Irvington. They could do some shared services, but not regionalization. But is there, kind of, a geographic document that we can look at to see where this regionalization should be taking place, and where these discussions should be?

MS. SCHULZ: There is likely to be one; I do not personally have it, but I will be happy to personally make sure you get it.

SENATOR RICE: You know everything. (laughter) So you have one, right? Okay, well, make sure we get that. I do appreciate it, okay?

ASSEMBLYWOMAN SIMON: There's a CAP report that found that 2,000 to 4,000 students is an optimal size. Do you concur with that?

MS. SCHULZ: Probably, but we do have many districts that are much larger than that; you know, it's not unusual. I live in Hamilton Township in Mercer County. We probably have around somewhere between 12,000 and 14,000 students; we have three high schools, three middle schools, and, I think, 11 elementary schools or so -- and an alternative high school, also. So there are many districts that are larger than that. But we also have 90,000 residents. So it wouldn't make sense for us to go to increase that, I don't believe.

ASSEMBLYWOMAN SIMON: Okay, all right. Thank you, Melanie.

Next up is Debra Bradley from NJPSA, Director of Government Relations.

Good morning, Debra -- good afternoon, sorry.

DEBRA BRADLEY, Esq.: Good afternoon, already. I'm Debbie Bradley, Director of Government Relation at the New Jersey Principals Association. We represent the building-level leaders of our schools.

Many of my remarks have already been said, so I'll try to quickly summarize them.

I'd like to begin by stating that our Association understands the need for increased efficiencies in our schools. With the economy in

continued recession and many New Jersey families still economically at risk, we share the call for this increased efficiency at all levels of government, including our public schools.

At the State, county, and local levels, our schools have already embarked on the road of streamlining our operations, sharing services between districts and municipalities, as well as joint purchasing initiatives, as has been noted. The last several years have forced districts to examine how to provide instruction efficiently and effectively with ever-dwindling resources. And I wanted to note that the current move to adopt the Common Core State standards has actually caused major discussion across the state in terms of how we look at our curriculum, how we revise our curriculum, and it is causing the conversations that you're yearning for to take place -- which is conversations between different levels of schools, between sending-receiving districts at the regional level; all of that to integrate the curriculum, because they're interlocking pieces. We have to make sure that students in grade 1 have the foundational elements presented to them so that when they do get to a high school -- be it a regional system or some other system -- that they have the foundational knowledge in place. So that's part of the conversation now that wasn't really before.

Today's discussion on regionalization is not, obviously, the first. We've talked about a variety of different past studies that have been done on this, and we've grappled with the issue for many years. And why? I think you've already intimated at the reasons why, Speaker Oliver. It's that New Jersey citizens have a love-hate relationship with our local governments. We want the ability to participate in government; we want to

have a unique community identity, yet we don't want to pay high property taxes to have that.

So this dichotomy has led to various cycles where we revisit the question -- and it sounds like we're entering a new one.

If we look back at the Assembly Task Force that Joe Malone -- the report he presented to you. I mean, some of the points on there are very valid to the discussion; I'm sure you'll review them. But I just wanted to highlight one or two of them.

The first is the conclusion that school regionalization does not automatically reap major savings or improve the quality of education. In fact, some studies have shown the converse. For example, expenses may increase in the areas of salaries -- on either a short-term or a long-term basis; transportation costs may actually increase. But these are individual district and regional decisions that have to be examined.

The second is that small school districts often produce excellent results and they shouldn't be regionalized simply because of enrollment drops and fluctuations. Joe Malone also mentioned development trends among municipalities and how that can flip flop the enrollment and the composition of a community.

The other point was that the disproportionate distribution of costs and cost allocation among communities can be an obstacle factor, depending upon communities' valuation.

In the 2006 special session of the Legislature, the Legislature made similar findings in this area, but they went to set up a statutory structure that put in place the Executive County Superintendents. The Executive County Superintendents were charged with doing studies in this

area, but they were also charged with other duties -- one was establishing a strong review recommendation and oversight powers of local districts in the areas of school budgets, looking at administrative structure, keeping down administration costs, and looking at operational efficiencies between districts and within districts.

At this juncture of the discussion, what became most clear to our members is that there are many complex questions around the issue; that we need to do cost-benefit analyses -- initiated at the local and regional levels -- to determine the best options for particular communities. From our members, the overarching question must be whether our students' instructional, developmental, and overall school experiences will be improved or adversely impacted by any attempt to regionalize.

And in this area, I'd just like to raise two points: one, is we have to look at the whole scope of educational programming; and the second is that key stakeholders need to be part of the conversation -- and that includes not just governance and local governments, but it also includes school staff, educational leaders, parents, and even students. They're going to be at the front lines of any change that's made, and their views should be part of the discussion.

A comprehensive review of the impact on curriculum, program offerings, extracurricular opportunities, class size, equipment, and facilities are part of the discussion -- but also noninstructional expenses must be part of the discussion. And here I'm talking about nursing services, transportation, food service, and even guidance and child study team support services that could be available and are often shared between districts now.

The analysis has to drill down to even the operational level. Because as Joe Malone noted, issues like transportation can totally bollocks the works. Whether or not you're walking to school or suddenly sitting on the bus for a long time may make a big difference to parents.

Staff issues such as job assignments, collective bargaining issues are all part of the mix.

And the other part of this discussion that needs to be looked at is the educational research. There is a great deal of educational research that supports small schools and small learning communities, which can be still kept in place in a regional system. But we need to think about that and how we approach that. By creating large districts, just for the sake of having a large district, we could risk students spending more time on the bus, increasing class sizes, changing school climates, and even raising concerns about school safety and security in large systems. There have been studies done -- and I think one was referenced in the Assembly report -- that talked about that school buildings over 3,000 students could actually lead to diseconomies of scale. So I think it's probably a case-by-case situation.

Fundamentally, we believe this decision has to be done with a true vetting of the cost and benefits, of the involvement of all stakeholders, and an eye toward insuring that our students' experience -- educationally, developmentally, and socially -- is a positive one. We believe that this is critically a voluntary decision by local communities that share common goals and the ability to work together. We see the Legislature's role as supporting these communities; providing leadership; looking for creative ways to support them through, perhaps, seed money or some funding of

these regionalization studies -- and, of course, helping communities when they hit the stumbling blocks that they inevitably will face.

So we thank you for this conversation. I'd be happy to answer any questions.

ASSEMBLYWOMAN SIMON: All right, thank you very much.

I have a question; and what you had mentioned, hopefully, will be exactly what the group -- the Task Force will be responsible for talking about. And that's why we have so many people, and yourself, with a seat at the table. And you do have six months from when the bill is signed to accomplish that task.

You had said that it doesn't necessarily increase the quality of education, but as we noted from several of the speakers, just the seaming between the elementary, middle school, and high school -- with the different curriculum, going into the high school and everybody not being on the same page and not having a level playing field -- they had reported would increase the quality of education.

MS. BRADLEY: I agree with you. I think that the issue of curriculum alignment is a big one. But I think many districts handle that quite well. As you know, my children attend Hunterdon Central, and I know that there are meetings between the elementary levels, the middle levels, and the high school to make sure their curriculums are integrated and making sense in terms of when the students attend that high school. I'm sure that happens in many districts across the state. But it's one of those issues that's a key issue -- that when you're looking at a particular

community's case of where they're at, that's one of the things I would definitely want to be one of the first conversations.

ASSEMBLYWOMAN SIMON: That's interesting, because my children went to Central also, and I've had meetings with some teachers and some Board members who report just the opposite -- that their curriculum is separate. And when the children do get to the high school, it's difficult for them. There's a period of time before they can all homogeneously get together academically.

MS. BRADLEY: Hopefully, we're getting better at that.

ASSEMBLYWOMAN SIMON: Yes, I'm sure.

Any other questions? (no response)

No? All right, thank you very much.

MS. BRADLEY: Thank you.

ASSEMBLYWOMAN SIMON: We have a few more speakers.

Next, NJEA, Ginger Gold Schnitzer, Director of Government Relations

GINGER GOLD SCHNITZER: Good morning. I'll hand in my testimony.

ASSEMBLYWOMAN SIMON: I keep saying good morning; it's good afternoon. (laughter)

MS. GOLD SCHNITZER: Good afternoon.

ASSEMBLYWOMAN SIMON: Time flies when you're having fun.

SENATOR RICE: That's right.

MS. GOLD SCHNITZER: Good afternoon. My name is Ginger Gold Schnitzer, and I am the Director of Government Relations for

the New Jersey Education Association. Thanks for inviting me today to testify before you on the topic of school district regionalization.

So much has been studied and written about regionalization in New Jersey that I fear that I will not have much new to add to this discussion. And after having sat through the speakers this morning, I know that's true. (laughter)

Having said that, I do think there's value in revisiting what we've learned, and using those experiences to make recommendations for you to consider in the event that you decide to pursue changing current policy. And I will truncate my testimony in light of the time and the number of folks who have spoken before me so eloquently.

Let me begin by clearly summarizing NJEA's position, though, on this topic. NJEA has never been opposed to regionalization so long as the process includes stakeholders, and that the decision is made by a public vote. We have long recognized that regionalization can be a legitimate option if the joining of districts preserves or enhances academic quality, makes good economic sense, and all stakeholders agree.

Regionalization opportunities ought to be viewed through a framework that takes into account at least three kinds of factors. I have grouped them; I just figured that's one thing I can do today -- is offer you a framework for looking at these problems. And that framework should include factors that are both educational -- excuse me, three times -- educational, financial, and political factors.

We should always begin by asking the question, "How will joining these districts affect the quality of education for the impacted students?" Sometimes regionalization will offer districts opportunities to

expand program offerings -- maybe you get an additional language or two -- foreign language; enhance extracurricular activities; increase social activities and relationships; and create greater socioeconomic diversity. I know it was brought up earlier by Senator Rice.

Other times, however, regionalization can negatively impact learning by creating large environments where some students may just get lost. Students may also lose the sense of individuality that is so prevalent in smaller districts. There have been situations where learning is negatively impacted because students need to spend too much time on buses getting to school.

At the end of the day, the purpose of schools is to educate children and, therefore, educational considerations should be paramount in decisions to regionalize. Financial factors must also be considered. I hardly think I can add on the excellent explanation of the school boards and the principals on this, but the questions we would ask are: Will regionalizing produce a cost savings that will lower property taxes in the affected communities? What is the fairest method to allocate taxes among participating districts? How will adjustments to the apportionment formula be made should demographics and property values change over time? -- because it happens. How will regionalization impact local economies? How can financial incentives be used effectively to make regionalization opportunities more desirable?

If experience has shown us anything, it is that regionalization is not the panacea for high property taxes. I'm not the first person to say that today. Predicting cost savings is difficult due to the number of variables in these financially complex arrangements -- although Mike Kaelber's

explanation of it not only showed how complex it is, but showed that, in some cases, you can do it.

While this is true, we do know that simply reducing the number of school districts does not guarantee property tax savings; that there can be diseconomies of scale; that some small districts have lower per-pupil costs than some large districts, and some regionalization efforts have resulted in increased taxes for the affected communities. And, like you've heard, even if one community ends up paying less, the other community often ends up paying more. Incentive programs to account for these differences have not proven universally successful either, although I'm sure they help.

There are also political factors that must be addressed. Regionalization changes the governance structure of a school district. A common concern is that fewer seats on a school board will translate into less input into school matters. This only exacerbates the fear of some districts that they will lose their unique identity by combining with other districts. Regionalization also creates challenging decisions around staffing.

Political concerns such as these are the main reason that the input of stakeholders is such an important part of making regionalization decisions. School employees, families, even students, school board members, town councils, and taxpayers must all be invited to have a seat at the table for these ventures to be successful.

Now, earlier in my testimony I stated that NJEA has never been opposed to regionalization so long as the process includes stakeholders, and that the decision is made by a public vote. I would now like to further elaborate on our position in light of the factors that I just discussed.

NJEA believes that school district regionalization should be voluntary, based upon local needs and concerns; and subject to the general requirements of law, such as maintenance of racial balance.

All employment rights of school employees, including compensation, seniority, tenure, and health benefits should be protected. Incentives for regionalization are appropriate, but they should not function to encourage inappropriate regionalization designed to increase revenue at the expense of school program quality.

A new regional district ought to be given a guarantee that their total State aid will not be less than the aid that would have been payable to the prior districts, for a specified number of years post-regionalization. This will help to ease transitions.

Finally, I would like to share a few of the conclusions of the 1999 Assembly Task Force on School District Regionalization that Joe Malone headed and I remember vividly. They reported that not every district is conducive to a regionalization arrangement; small school districts produce excellent results and should not be regionalized simply because their enrolment falls below a certain number; school regionalization does not automatically reap major savings or improve the quality of education; some financial incentives are necessary to encourage districts to regionalize when economic and educational benefits exist for regionalization; and the decision -- and I think this is sort of the most, the biggest conclusion that they reached -- that the decision to regionalize should be made on a case-by-case basis.

Thank you very much for your consideration.

ASSEMBLYWOMAN SIMON: Thank you.

Something that I noted by your testimony -- you had stated that regionalization opportunities ought to be viewed through a framework that takes into account educational, financial, and political factors. I don't know; I'm a little disappointed that the word *political* was brought into it, because when we talk about this, and we think about regionalization and moving forward, we try to do that without politics, and without power struggles and special interests, and try not to bring in any stifling or dictating rule. So I respectfully -- maybe, a Pollyannic (*sic*) approach -- but respectfully disagree that it should be -- that we should take into account any political factors.

You said that one district winds up paying more. Help me understand; if there is a smaller school district, and they send to a regional high school currently, how does that work? How do they pay more if they're sending to a regional high school now?

MS. GOLD SCHNITZER: Well, because-- May I respond to your first comment first?

ASSEMBLYWOMAN SIMON: Sure, sure.

MS. GOLD SCHNITZER: And thank you for that.

Let me just be clear; I apologize if my testimony wasn't clear enough. When I talk about political factors, I don't mean political in the sense of Democrats, Republicans, who is getting elected, and who is not getting elected. I mean in the sort of Greek sense of the word of a body politic; in other words, in that section I specifically noted that governance -- the governance structure changed. And that means that some people may feel like they have less input into their children's education than they had prior to it.

ASSEMBLYWOMAN SIMON: Right.

MS. GOLD SCHNITZER: I also taught-- Staffing decisions are not political in the sense of elections in political--

ASSEMBLYWOMAN SIMON: Sure; I didn't take it that way.

MS. GOLD SCHNITZER: I mean it to-- I use the term to encompass any decision where reasonable minds can differ and that's decided not by a formula, but by a discussion.

ASSEMBLYWOMAN SIMON: And I agree; and I didn't take any party affiliation as what you said.

MS. GOLD SCHNITZER: Right.

ASSEMBLYWOMAN SIMON: And that's what we really need to work on, so that we make sure that there isn't that type of misinterpretation, or issues of interference when it comes to that; that we really try to decipher what we're really trying to work together and foster as a group.

MS. GOLD SCHNITZER: And the way you get at that is exactly the way you've stated: which is, you bring stakeholders to the table. I mean, clearly, I think I'm laying it on the table when I tell you that these create challenging staffing decisions. I represent the folks -- a big portion of the folks who staff those schools.

ASSEMBLYWOMAN SIMON: Sure.

MS. GOLD SCHNITZER: But those can be worked out when we have discussions; and it's not something that's mandated or put upon people, but those impacted groups have an opportunity to have that discussion. It's not a special interest discussion; special interests are just

those people who are involved and affected -- as students, and parents, and taxpayers, and school board members.

ASSEMBLYWOMAN SIMON: There are so many factors, and so many people who are affected.

MS. GOLD SCHNITZER: Right.

ASSEMBLYWOMAN SIMON: And so many people who should have a seat at the table so that we can do this the right way.

MS. GOLD SCHNITZER: Absolutely. I think we have a meeting of the minds on this.

ASSEMBLYWOMAN SIMON: All right, thank you.

Any other questions?

SENATOR RICE: I need to-- Yes, before you go further, let me add to "the politics" of it. And I got what you were saying; I know it wasn't about the partisan stuff. That's why I asked about the regions that maybe can look at consolidating. That's also why I raised the issue of the U.S. Supreme Court decisions based on diversity.

MS. GOLD SCHNITZER: Absolutely.

SENATOR RICE: For example, this is a fact, and I'll say it on the record. Two prominent leaders -- and it wasn't partisan where it was Republican and Democrats of one party -- most recently had told black elected officials, who happened to be mayors, that they won't meet to have discussions on issues impacting the community in general, including maybe some of the politics in these towns -- if one of those individuals was at the meeting. But it's an organization. So the point is, is that if, in fact, those of us in the Legislature, regardless of what we feel about each other politically, are not bringing everybody to the table -- because certainly if you

were to go into that region in South Jersey and talk consolidation, you can't talk about it without the mayor's input, and because one of us doesn't like him. And so that becomes very important. I think that's what Assemblyman Malone was indicating before -- how we keep dropping the ball on this. And I think that's what the Assemblywoman is saying, is that we don't need that type of politics in the midst of who you like and don't like, you know? Don't like him, but hear from him. Don't like him, but take their information. And I think that's important.

Now, the politics of it is that now it's political. I have to go and deal -- in the Legislative Black Caucus -- with some folks who don't look like me in the Legislature, whether they like it or not, in leadership and say, "This isn't going to work for us." But if I do that, and it becomes public, then the stakeholders from that minority community within that region are going to be very suspect of the leadership at our level and other levels going in there, saying, "This is a wonderful thing." You see what I'm saying? And so, we'll never get there.

And that's why I think that the Assemblywoman is right having these hearings, trying to find out how do we-- We take a look at it, how do we encourage-- And what are some of the real and true conversations we have to have within our colleagues who are responsible for some of this, and say, "Look, what we did find out there is that, contrary to what you think, you can't exclude somebody." See, we're going to have to encourage them to say, "Hold it, stay away from that mess."

And so I do understand when you were talking about the politics of it -- it wasn't partisan, per se.

MS. GOLD SCHNITZER: Right

SENATOR RICE: It's the attitude of people, and how they treat folks who create the problem of bringing people together to do what we're trying to accomplish.

MS. GOLD SCHNITZER: And my recommended solution to that is input and conversation, for sure.

Assemblywoman, the answer to the second part of your question--

ASSEMBLYWOMAN SIMON: Sure

MS. GOLD SCHNITZER: --about -- you said if a small district is already sending, how is their cost not less or the same?

When you are in a sending-receiving relationship, you're paying a certain amount of tuition. When you enter into this regionalization -- and perhaps School Boards will explain this far better than I, but I'm going to take a shot -- the allocation may not be based only on the number of students you're sending. So if you are a small district, but a wealthy district, you can find your share increasing dramatically. So it is actually possible for a small district to end up paying more.

ASSEMBLYWOMAN SIMON: Okay. I appreciate your comments.

MS. GOLD SCHNITZER: Great.

ASSEMBLYWOMAN SIMON: Thank you for being here.

MS. GOLD SCHNITZER: Thank you for inviting me.

ASSEMBLYWOMAN SIMON: Thank you.

All right, next we have NJDOE -- Bob Bumpus, Assistant Commissioner of Field Services.

You can introduce yourselves.

ROBERT BUMPUS: Good morning; it's good to be here today.

ASSEMBLYWOMAN SIMON: Good afternoon.

MR. BUMPUS: My name is Bob Bumpus. I'm an Assistant Commissioner with the Department of Education, in the area of Field Services.

I have with me Sam Skabla, who is the Deputy Chief of Legal and External Affairs for the Department. And considering the lateness of the hour, there's really nothing that I can add to what has gone forth except for our viewpoint, as the Department, of what are some best practices and recommendations.

So you have my testimony; I'd like to skip to those best practices. It's on the third page, and then there are following recommendations.

A number of successful strategies have been identified in this regionalization effort. Focusing on consensus building among influential members of the community and the developing of allies is critical.

They placed a question on the ballot to fund a feasibility study. When I heard that, and learned of that, I thought that was brilliant. It's like putting a (indiscernible) out. What is the temperature of the community? And if it comes back in a positive, you go forward.

Anticipating and preparing for the legal, the economic, the public relations, and procedural obstacles that could potentially derail the effort was also very important. And I was very impressed with how this community came together -- these three elementary districts and the Board of the Regional High School -- which was really collaborative and very cooperative.

Creating and implementing a clear message among key communicators, so they had a list of key communicators that had the same message when they went out in public forums. And they also managed the media relationships very well.

So the communication and authentic -- and I would really emphasize authentic -- consistent, and transparent ways were really important, because you need to build trust and confidence in this type of dramatic change effort. So that authenticity and transparency was very important.

What do we recommend as a Department, given these lessons that we've learned? We recommend the Department expand its current focus on providing technical information to include guidance and resources for community capacity building, especially in the early stages of regionalization efforts. In South Hunterdon, all stakeholders agreed that regionalization is not something that can be imposed or driven by external factors; rather, it needs to be community-driven at all stages. It's very organic, it's very germane to the communities that it's focusing on.

We recommend the Department create an office that will work with the county superintendents to provide not only technical assistance in the legal and procedural issues, but also to provide support for community capacity building, as I said earlier, and communication campaigns. So we'd like to create an office within, actually, my Division, where we really just focus on regionalization and consolidation. This will be a budget item; we'd like to begin that as soon as possible.

We recommend the Department establish a budget sufficient to provide 50 percent funding for a number of feasibility studies, per year, in

communities -- and this is really critical -- in communities that demonstrate broad support, including approval to fund the remaining 50 percent share of the feasibility costs. So this is seed money. We heard from the Freeholders earlier. They'd be willing to step up to the plate, too, and provide up to 50 percent of that seed money.

One lesson we've learned is that putting the feasibility study before this grassroots community engagement is likely to be counterproductive. So again, we'll put a finger on the pulse of the community engagement and decide whether or not to fund the feasibility studies.

Finally, the Department would work with the Legislature on identifying additional ways to provide flexibility in allocating the costs of a new regional district. For example, establishing a transition period where the costs shift gradually over time, or creating special assessments that may result in more win-win situations. It was mentioned earlier, we don't want winners and losers; because when you have winners and losers, when it goes to the voters, the losers are going to vote against it. We have to create incentives to provide a transition into this new framework which impacts the taxes of the community.

That's our testimony, and we'd be happy to entertain any questions you might have.

ASSEMBLYWOMAN SIMON: Well, thank you.

What you have offered is wonderful. And you took away my questions, because I was going to ask you about that -- about partnering with some of the funding and the seed money.

Anybody have any questions for The Department of Ed?

SENATOR RICE: Yes. My question is-- You know, when the Department of Ed says they want to partner with, I get very suspicious about it as an entity, given the history of not regionalization, but the histories of cities like Newark and Paterson, Jersey City, where we're supposed to be in partnership; even under statute, we're supposed to be in partnership. And it seems like those who are from the Department tend to ignore certain areas geographically and just do what they want, and then tell the public there's a partnership.

And I think what the Assemblywoman is indicating and what other speakers have said is that there has to be a true partnership. We can't go into a region that we're saying that the dollars are going to go here in the partnership -- and the Freeholders said they're going to do some things, etc. -- but then, all of a sudden, when issues arise that are very important, that are going to impact negatively on what people are trying to accomplish, the Department turns its back on the people.

And so that's a concern I would have. It doesn't mean I wouldn't support it; I want you to understand that. But I just want the public to know that there's this distrust for the Department of Education at the top -- not the workers down out at the bottom who want to do things. And that's a sad scenario there, but it's very real so I need to say that.

So the Assemblywoman, who is definitely on point with this, can make sure she keeps her little antennas up, along with the rest of us, as she leads, and makes sure that there's integrity in the process and credibility. If we can, in fact, assist on getting this office or whatever you need there in the funding-- If not, it's just going to be thrown away, just like Assemblyman Joe Malone said about the \$75,000 that the township

never used when they got it, you know? At least they never went beyond that.

MR. BUMPUS: Thank you. We would appreciate any support the Legislature could give us

ASSEMBLYWOMAN SIMON: Do you have an idea of the department that you're willing to create to work with the county superintendents for the technical assistance, and legal -- do you have an idea of when that might be formed?

MR. BUMPUS: Very soon, Assemblywoman Simon; very soon.

ASSEMBLYWOMAN SIMON: Okay.

MR. BUMPUS: It's imminent.

ASSEMBLYWOMAN SIMON: And can I also ask you -- Ginger, from NJEA, had asked that we respect the fact about funding -- and not brain surgery for a headache -- and not take a lot away from the schools; and sort of easing that. Can I get your opinion on that?

MR. BUMPUS: Well, we have some examples right now. In particular, when we abolished nonoperating school districts, we put them on a five-year phase-in plan to make sure, as best we could, that the tax impact would be minimal, initially.

ASSEMBLYWOMAN SIMON: Okay.

MR. BUMPUS: So there are some examples.

ASSEMBLYWOMAN SIMON: Wonderful; all right. Thank you very much. We really appreciate you being here.

MR. BUMPUS: Thank you.

ASSEMBLYWOMAN SIMON: All right, we have two more speakers.

Superintendent Mike Rossi from Madison.

SUPERINTENDENT MICHAEL A. ROSSI Jr.:

Hello.

ASSEMBLYWOMAN SIMON: Good afternoon. How are you?

SUPERINTENDENT ROSSI: Good afternoon; great. We are doing well.

You have my testimony, so I'm not going to read that. But I will just kind of succinctly go through it and try to respond to some of the things that I've heard, to maybe add to the discussion for you.

ASSEMBLYWOMAN JASEY: Mike, this is actually the mike that's picking up your voice (referring to the PA microphone). This is just the recording-- That one, yes.

SUPERINTENDENT ROSSI: Okay, good.

ASSEMBLYWOMAN JASEY: So speak to that one.

SUPERINTENDENT ROSSI: Okay, thank you.

So I have the experience of working in a variety of educational organizations previously -- several that have been mentioned; one being having the former job of being the Superintendent of Roxbury, that was mentioned earlier; one being having the job of being the Superintendent of Lopatcong Township, which is in Warren County, which is one of five K-8s that send to Phillipsburg High School, which is a K-12.

I also have three children who have gone through the Great Meadows school system, which has been also referenced today. So I want to use that as a backdrop to my comments.

Usually that accompanies some type of announcement (referring to chime over PA system) (laughter)

I believe some of the history of regionalization, and why there have been a lot more attempts to get out of regionalization than attempts to regionalize in the past 20 years, can be found in some of the things that have been articulated recently and, perhaps, even today.

One thing that was mentioned was that perhaps in this county there are some-odd 3,000 workers and there are a certain number of millions of dollars -- and it was talked about how that comes out to \$17,000 per pupil in this County. Well, the fact of the matter is that that's not how per-pupil costs are calculated. The State itself has a formula.

There was a mention about how the community college does its job of educating community college students for a far less price than public schools; and that might be replicated. Well, that leaves out the fact that the community college really doesn't have all the protocols and mandates that we have -- in particular for special education, in particular for testing, in particular for aides; and we don't use adjuncts. I think that those types of commentaries, as they relate to why we should move towards regionalization, hurt that effort.

I also don't believe that we should leverage on the major impetus of cost savings. If you look at where I used to work in Lopatcong, the school system that those five K-8 districts send their students to high school is Phillipsburg High School. Phillipsburg High School has been trying to build a new high school for the better part of a generation. When I was the Superintendent there, we had two feasibility studies for regionalization done -- in the short time I was there. And the outcome of

that was that the communities in Stewartville, Alpha, Bloomsbury, and Lopatcong in particular -- the K-8 -- wholesale rejected the notion of regionalization.

It should also be pointed out that there's currently -- and this is also the better part of, perhaps, almost 15, 20 years -- 31 trailers are at Phillipsburg High School that the students have to endure. Those other communities have a preference to send their kids to a high school that has trailers in them, as opposed to moving towards regionalization. That's not to say that they like trailers, but the reason is that they like to have influence over the types of gifted and talented programs that are in those small schools; the types of special education programs that are in there; the types of opportunities that exist after school, in terms of enrichment or other things.

You know, it was mentioned that if we potentially have a school district where there are two high schools, a natural consolidation would be to have one high school. That does make sense. However, if you look at the opportunities that both of those high schools offer and afford the students, are you chopping those opportunities in half, in particular for co-curricular and extracurricular pursuits?

Students are often engaged in extracurricular, co-curricular pursuits in a manner that makes their high school, or middle school, or younger years' experience worthwhile to them -- where they're often not engaged, or they struggle in other areas of their academic experiences. We have to ensure that if we're going to move towards regionalization, that we're not dismantling those opportunities; that we're nurturing them and allowing them to grow.

If you take a look at Great Meadows -- where my children have gone to school, and I still have an 8th grader in there -- it started in 1991; it was two K-8s. They came together, they made a middle school -- that's 6, 7 and 8 -- and kept the two K-5s. The formula for the tax impact did not work in the favor of Liberty, in the long run. They've been trying to get out of that arrangement. The response by the School Board was very proactive and positive, in that what it did was it took the two K-5s and made one a K-2 and one a 3, 4, and 5 -- which has worked tremendously well. That was a great regional response to a situation that was really beginning to mushroom and have the potential to explode. Those are the types of discussions we need to have.

We are doing, I think, more in the field of education than, perhaps, people notice in terms of consolidation. There's a lot of sharing of services -- transportation, directors, superintendents -- things of that nature. We need to continue to do that.

We need to also articulate to the public -- in your efforts to look at potential regionalization opportunities -- why folks tend to either not have the conversation, or resist it. And you've heard all those today. There was a mention of about Roxbury and Mount Arlington having the green light to look at the potential for regionalizing or combining, and consolidating both Borough and Township and school services. And having worked there, I really can understand what just went on, but it's important to recognize that the folks who just ran on the regionalization ticket -- all lost, and resoundingly so. You have to take into consideration why they're not having a lot of momentum in, basically, the entire state.

So it can definitely work; you should applaud the folks here in South Hunterdon for what they've done -- it's fantastic.

As I said -- and to kind of sum up here -- there are opportunities that exist now that we're taking advantage of for services and personnel. To bring districts together, we really have to look at the cost drivers and keep the qualitative aspects of the students' experience at the forefront of our thoughts.

One of the things that I experienced, firsthand, in Madison -- which is a fantastic school district -- and probably the most difficult conversation we ever had, was when we considered outsourcing the custodians. It was almost mayhem, for a place that is pretty placid. Folks did not want that to happen: strangers in the building; folks who live in town and work there -- those scenarios are replicated throughout the state when you talk about the things that are going to happen in regionalization. You're going to have six or seven different districts coming together; suppose three of them have home-grown cafeteria workers and three have outsourced cafeteria workers. Now you're-- You're not regionalizing, you're displacing Mrs. Jones, who's been working in the cafeteria for 35 years, who lives in town -- whose husband might be on the Board.

So those are the types of real-life, real-time scenarios that impact our ability to consolidate and work towards cost-saving opportunities.

So I think that, in sum, I would agree that we ought to keep it at the local level; not try to mandate it, or legislate it; and I would not try to do it at the county-wide level. It's going to be too cumbersome. The attempt was made previously, and it doesn't have a lot of widespread

support. Think about, in our County -- in Morris County where you have to try to coordinate everything from Pequannock to Parsippany, to Flanders and Mount Olive. And a mom who lives in Flanders and has something going on in the school district that she's concerned about, has to work through the chain of command; and now she's going to call a County person who might not even know the Superintendent, let alone the Principal or the teachers in the rooms.

So there are those types of considerations. I applaud your effort; I think it's definitely worthwhile to investigate. And those of us in the field are certainly willing to work with you.

ASSEMBLYWOMAN SIMON: Thank you, Superintendent Rossi.

Any questions?

ASSEMBLYWOMAN JASEY: I just want to give a shout-out to you as being one of my Superintendents. I'm glad that you took the time to come. You always have thoughtful things to say, and I'm especially glad that you pointed out the issue of adjuncts and-- A county college is very different from a public K-12 school situation. And I wondered about that when the statement was made.

So those are the kinds of comments that we have to be careful about, and make sure that we're not making assumptions that are not quite accurate. So I appreciate that.

And I appreciate the fact that you support the idea that we should move forward with exploring the possibilities, where they may exist for regionalization, such as here.

SUPERINTENDENT ROSSI: Thank you, and you've always been very supportive and responsive to everything that we've asked you to look into.

ASSEMBLYWOMAN JASEY: Thank you.

ASSEMBLYWOMAN SIMON: Thank you very much.

SUPERINTENDENT ROSSI: Thank you.

ASSEMBLYWOMAN SIMON: And last, but not least, we have Mayor DeVecchio, Mayor of Lambertville, and one of the leads in this regionalization for South Hunterdon.

Welcome; good afternoon.

MAYOR DAVID M. DELVECCHIO: Thank you, Assemblywoman, Senator, Madam Speaker, Assemblywoman, Assemblyman.

I just have a couple of things to say, because I know I'm standing between you all and lunch. (laughter)

ASSEMBLYWOMAN JASEY: And the road. (laughter)

MAYOR DELVECCHIO: And the road.

First of all, let me applaud the Legislature for, first, moving the elections for School Board to November; and for saying that if you're under the 2 percent cap, you no longer have to have a referendum for the budget. Because the one thing I hated most, as Mayor, was we would do our budget, and then a budget would go down, and we'd get handed a budget and say, "You have 19 days to do this," and we -- the School Board will have spent six months on it, and we had whatever it was -- maybe it was 21 days, whatever it was. You know, I thought it was an unfair process to elected officials, and I think it's a much fairer situation that, if you stay within the

cap, you don't have to go to the voters for approval -- and I think that's fair. And I think the idea of having November elections for School Board members -- I think is a good thing. And, you know, I'm going to make Ginger's head pop off on this: I actually think we should elect them on a partisan basis; but, you know, that's a subject for another day.

ASSEMBLYWOMAN SIMON: My brains are going to leak out of my ears. (laughter)

MAYOR DELVECCHIO: I used to have this argument with my local School Board President, and I'd say, "Oh, we can elect a leader of the Free World on a partisan basis, but we can't elect the head of the Lambertville Board of Education? I guess that's too important." But, anyway, that's for another day.

Let me just say this. I encourage -- I applaud everything that you're doing to encourage regionalization and consolidation. I think it's a good thing. I think it's going to work great for us. And one of the reasons-- Understand, one of the reasons I think this came about was Derek Roseman -- who testified earlier -- and I started a thing called the South County Renewable Energy Co-op. And that was -- we had South Hunterdon Regional School Board, West Amwell Township Board of Education, Lambertville Board of Education, City of Lambertville -- our government -- Township of West Amwell -- their government -- and the Lambertville MUA. So we had already everyone at the table working to figure out ways -- particularly, this was just on energy issues -- ways to consolidate and save money on energy. And because we had everyone at the table, I think when we morphed into regionalization, people were already talking, already at the

table, already doing business together. And I think there was no level of distrust.

ASSEMBLYWOMAN SIMON: Good point.

MAYOR DELVECCHIO: So I think that was important.

And I think the one thing the Legislature doesn't do -- and I think everyone in this room is probably guilty of this -- you don't encourage enough municipalities and school boards to work together to see where-- They're almost treated like, "Okay, the municipality, you're one entity; the School Board, you're another entity." But, guess what? It's the same taxpayer.

ALL: Right.

MAYOR DELVECCHIO: It's the same taxpayer. And I don't think enough is encouraged to get municipalities and school boards to work together. Obviously you're not going to work together on educating a kid, but you could work together on different practices; you know, the business of school, the business of the municipality. We focused on -- we happened to focus on energy. We did third-party purchasing, we did community aggregation, we did some other things. But I think the Legislature-- If you want to make consolidation easier in the future for-- Because what it does -- it puts people working together, and I think that ultimately will help regionalization, consolidation efforts, because people will already be at the same table.

So that's all I would have to say today. And, once again, I applaud your effort to do anything to help people regionalize. We had a lot of help from a lot of people; we had some dedicated Board members like Derek; we had dedicated Administrators, like Dr. Lou. Where's Dr. Lou?

Could you stand up, Dr. Lou? We had parents who cared; we had-- It kind of worked together.

But make no mistake about it. I think if we weren't at the same table because of the South County Renewable Energy Co-op, it would've made a difference. But the fact is, we were all at the same table, and when we went to regionalization it wasn't like we were strangers; it wasn't like we had to get to know each other; it wasn't like we had to get to know how to work together. That was already in place, and I think that made that infinitely easier.

And now we're going to really test it, because we're going to see -- we're going to throw it-- Tonight, we're going to have a meeting -- and I'll say this publicly, because I don't care -- we're going to have a meeting where we talk about forming a South County Police Department. And so, you know, we're ready to go to the third rail. I figure we did energy, we've done education, now let's do police. And we're talking about fire districts. The energy thing -- the whole concept of talking about better ways to do energy -- and we're actually doing a power purchase agreement for solar on this facility in which all the taxpayers will benefit from.

But energy started the discussion; and now we're talking about -- we did schools, we're going to talk about police, and then we're going to talk about fire. So I think-- But make no mistake about it. I think the fact that we were all in the room on energy made schools easier.

ASSEMBLYWOMAN SIMON: Thank you, Mayor. You've proven how brave and courageous you are to take the lead on these things; and really epitomize that when there's a wall and you can't get through it,

you go under it, you go around it, you go over it -- but you get to the other side when you work together.

And I couldn't agree more, because a lot of municipalities and schools -- they get together right at budget time, but that's about it.

MAYOR DELVECCHIO: Exactly. And, look at -- it's the same taxpayer.

ASSEMBLYWOMAN SIMON: You're absolutely right; dead on.

MAYOR DELVECCHIO: And the one thing you all have done is, I think -- and everyone in this room has helped in that -- is created a wall between the two entities. And I would like to see that wall broken down, and I would like to see any place we could work with the school-- And we're doing it now, but any place we could work with the school, I think we should. And I think that's incumbent upon us, not only because, number 1, you have the 2 percent cap that you have to function under; number 2, it's good for taxpayers, it's good for practices, it's good for-- And number 3, any way you can think of a better way to do something, it's incumbent upon you to do that.

So I think breaking down that barrier--

ASSEMBLYWOMAN SIMON: Relationship building.

MAYOR DELVECCHIO: Yes, yes. It would help that. Because, Assemblywoman, I would think even our County probably -- municipalities and the other school districts probably don't communicate as much as we do here. And that would make -- if they went ahead and tried to do something like this, it would make it a little tougher, I would think.

ASSEMBLYWOMAN SIMON: Maybe we can ask for input from our Freeholders and move forward.

MAYOR DELVECCHIO: And even in-- Tom Neff, he has this best practices. Even on that, you check -- there's a check-off box for, "Do you meet with your School Board?" But that's not enough. I think you need to figure out strategies; strategies-- "You're buying this, we're buying this. We're all buying gasoline. Can we buy gasoline cheaper together? We're all buying diesel fuel; can we buy diesel fuel cheaper together? We're all--" I mean, obviously, we're not buying books, but there's different things--

ASSEMBLYWOMAN SIMON: Same concept.

MAYOR DELVECCHIO: Sure, they are different things, and we should look at -- any way we could do something more efficiently, we should look at it.

So thank you.

ASSEMBLYWOMAN SIMON: Very nice; well said.

MAYOR DELVECCHIO: And thank you for coming to -- you didn't come to Lambertville, but you came to West Amwell. Thank you for coming here. (laughter)

ASSEMBLYWOMAN JASEY: Oh, it's all the same community.

ASSEMBLYWOMAN SIMON: Yes.

MAYOR DELVECCHIO: It is, it is.

ASSEMBLYWOMAN JASEY: Thank you for having us.

MAYOR DELVECCHIO: Does anybody have any questions?

SENATOR RICE: No, I just want to thank you, Mayor, for being here, pretty much, in and out most of the day. I want everybody to remember the fact, up here -- those of us from Essex -- that your training came under my tutorial. (laughter)

MAYOR DELVECCHIO: It did.

ASSEMBLYWOMAN OLIVER: That's right.

MAYOR DELVECCHIO: It did.

SENATOR RICE: In terms of courage and stuff -- back in the days of Peter Shapiro and others, okay?

MAYOR DELVECCHIO: Absolutely. Living on Sanford Avenue in the great West Ward of the City of Newark.

SENATOR RICE: Progressiveness, okay?

ASSEMBLYWOMAN SIMON: See that pride?

SENATOR RICE: But I can say that I think these conversations are important, regardless of outcome. Because, you know, you have shared services and I understand. And there are a lot of things that we can do, even the bigger cities if we share services with entities within the city itself, without having to criss cross boundaries.

But I remember the redistricting; the year, as Chairman of the Legislative Black Caucus, when we did redistricting -- I know the politics of it and the bias in the system, so I worked directly with the Justice Department and the Census Bureau, not relying on the State to draw maps. And let me tell you, every time I tried to structure a district where there was fairness -- and basically, no one was getting hurt in either party, all right? -- I ran into this blocker that messed my numbers up. And I'm saying, "Where is that? How many people are there?" Five hundred people. I

said, "Five hundred people? Why does the city-- Do they have a school?" And I started asking all kinds of questions. They should be in this town, next to it.

And when you look at municipalities like that, and you don't want to put the local thing down or the people down-- Take a town like East Newark, for example. But then when I was getting out in Sussex and Warren, I was hitting road blocks like crazy. I said, "Well, I don't want to hurt Bucco, but I couldn't get around this little town; (laughter) I don't want to hurt this one--" And it became a mess. And that's what made me realize, "Wait a minute. We should be talking about how do we do" -- I wouldn't call them mergers if we're not-- Call them what you want to call them. But a population of 100, you know, to be whatever it is, you know, etc. And then sharing, maybe, a school system or having their own -- I don't know what that means in New Jersey, but I know that it disturbs me when I start to look at it politically on how to structure districts. But also it started to make me think about, how do they get services? Do the people in that town pay for everything out-of-pocket? Or, like, for example, people will say, "I'm leaving New Jersey; property taxes are high." "Where are you going?" "Going down South." Then they come back and say, "I left." "Why'd you leave down South?" "Well, the taxes are no cheaper, they're higher." "Why are they higher?" "They don't pick your garbage up; you have to pay for that." Do you understand?

MAYOR DELVECCHIO: Senator, I--

SENATOR RICE: They don't shovel the snow; you have to pay for that. So I'm looking at these towns and saying, "Well, from education to services, if they are that small, who's paying? And then what happens

when there's no water at your border? So if the people in my town just happen to be creating problems on your border, I have no real say-so without a fight.

And I'm looking at this, and so I think that the Assemblywoman is doing a good job keeping this whole conversation -- particularly on the academic side -- about how do we look at coming together and regionalization. I think is very important, particularly for smaller communities where you rely on a lot of volunteers for the fire services, law enforcement services, and things like that. And in the meanwhile you're paying the same taxes, basically, across the board because the Constitution still dictates how we structure taxes, okay? We can't be unfair, you know?

And so I just want to commend you for the work you've been doing. I've been following you a lot of years. And I understand there are some good antiques here; my wife keeps telling me.

ASSEMBLYWOMAN SIMON: And great restaurants.

MAYOR DELVECCHIO: Yes, there are, there are. And I'm happy to take your wife wherever she wants to go in town, to show her some of our 40-some antique stores, and we probably have 40-some galleries. We have, probably, 25 to 30 good restaurants. And we were one of *Forbes Magazine's* 15 prettiest places in America; we were one of the best places to spend the Fourth of July weekend. And, to just top it off, we were one of the *Quirkiest Towns* in New Jersey. (laughter) We don't know what *quirky* means, but for purposes of--

But, you know, I think consolidation and regionalization may not work for every place, but shared services certainly works everywhere.

And a line I use, that Derek actually wrote, is, "People don't -- no longer care what's on the side of the garbage truck," you know? They don't care what name is on it. They just want the service provided. And the fact is, regionalization may not work for every school district, but shared services certainly do, you know? If they can't regionalize, they better be doing shared services, because there's no excuse not to do that.

ASSEMBLYWOMAN SIMON: Right.

MAYOR DELVECCHIO: Right? There's no-- Right?

ASSEMBLYWOMAN SIMON: No, absolutely, absolutely. Whatever it looks like -- if it's doing what's good for the community, what's good for the children and their education, what's good for the taxpayer. There's no, one solution for it; and whatever works for one might not work for the other. But the point is, is that we've been talking about this long enough; now, instead of talking the talk, we've got to walk the walk.

MAYOR DELVECCHIO: Absolutely.

ASSEMBLYWOMAN SIMON: So thank you, Mayor.

MAYOR DELVECCHIO: Thank you.

ASSEMBLYWOMAN SIMON: We really appreciate it. Thank you.

I want to say again, thank you very much for everybody being here; my colleagues on this Joint Committee, for traveling from their locations; and also to South Hunterdon, again, for hosting this. I appreciate the set up -- this is-- I feel like we're in Trenton right now; this is an expert audio visual and video. And I can't thank you enough for helping out and arranging for this. So thank you very much.

SENATOR RICE: This meeting is adjourned.

(MEETING CONCLUDED)