

---

---

# *Committee Meeting*

of

## JOINT COMMITTEE ON THE PUBLIC SCHOOLS

*“The Committee will receive testimony from invited guests on the topic of school funding”*

---

---

**LOCATION:** Committee Room 11  
State House Annex  
Trenton, New Jersey

**DATE:** January 17, 2017  
10:00 a.m.

### **MEMBERS OF COMMITTEE PRESENT:**

Senator Ronald L. Rice, Co-Chair  
Assemblywoman Mila M. Jasey, Co-Chair  
Senator Samuel D. Thompson  
Assemblyman Ralph R. Caputo  
Assemblywoman Marlene Caride  
Assemblywoman Patricia Egan Jones  
Assemblywoman Sheila Y. Oliver  
Assemblyman Benjie E. Wimberly  
Assemblywoman BettyLou DeCrocce



### **ALSO PRESENT:**

Rebecca Sapp  
*Executive Director*

Ivy Pomper  
*Executive Assistant*

*Meeting 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. James Beach  
Hon. Patrick J. Diegnan  
Hon. Samuel D. Thompson

**ASSEMBLY**

Hon. Mila M. Jasey  
Co-Chair

Hon. Ralph R. Caputo  
Hon. Betty Lou DeCroce  
Hon. Sheila Y. Oliver  
Hon. David P. Rible  
Hon. Benjie E. Wimberly  
Hon. David W. Wolfe



**JOINT COMMITTEE ON THE PUBLIC SCHOOLS**

P.O. BOX 070  
TRENTON, NJ 08625  
(609) 847-3365  
FAX (609) 292-4912

**Rebecca Sapp**  
Executive Director  
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 Tuesday, January 17, 2017, at 10:00 a.m. in Committee Room 11 of the State House Annex, in Trenton, New Jersey.

The Committee will be receiving testimony from invited guests on the topic of school funding.

**The public may address comments and questions to Rebecca Sapp, Executive Director, at 609-847-3365, or by email at [Rsapp@njleg.org](mailto:Rsapp@njleg.org)**

Issued December 28, 2016

## TABLE OF CONTENTS

	<u>Page</u>
Assembly Speaker Vincent Prieto District 32	3
Brandon Barlow Fairleigh Dickinson University	14
Nicolas F. Parra Fairleigh Dickinson University	14
Sharon Kregel Director Policy and Outreach Education Law Center	26
Marie Blistan Vice President New Jersey Education Association	32
Elisabeth Ginsburg Executive Director Garden State Coalition of Schools	35
Melanie Schulz Director Government Relations New Jersey Association of School Administrators	39
Patrick J. Fletcher Chief Education Officer River Dell Regional School District	40
G. Kennedy Greene, Ed.D. Chief Education Officer Newton Public Schools	42
Michael Vrancik Director Governmental Relations New Jersey School Boards Association	61

## TABLE OF CONTENTS (continued)

	<u>Page</u>
Debra Bradley, Esq. Director Government Relations New Jersey Principals and Supervisors Association	64
Richard Pressler Director School Services New Jersey Charter Schools Association	74
Paula L. White State Director Democrats for Education Reform New Jersey	81
John M. Abeigon President Newark Teachers Union	95
Donna Chiera President American Federation of Teachers New Jersey, AFL-CIO	99
Judy Savage Executive Director New Jersey Council of County Vocational-Technical Schools	101
Tom Puryear President Education Committee Oranges and Maplewood National Association for the Advancement of Colored People - NAACP	105
Susan Cauldwell Representing Save Our Schools	107
Janellen Duffy Executive Director JerseyCAN	107

## TABLE OF CONTENTS (continued)

	<u>Page</u>
Julie Borst Representing Save Our Schools	119
<b>APPENDIX:</b>	
Testimony submitted by Nicolas F. Parra and Brandon Barlow	1x
Testimony submitted by Sharon Kregel	5x
Testimony submitted by Marie Blistan	8x
Testimony, plus attachments submitted by Elisabeth Ginsburg	11x
PowerPoint presentation submitted by Patrick J. Fletcher and G. Kennedy Greene, Ed.D.	15x
Testimony submitted by Michael Vrancik	40x
Testimony submitted by Debra Bradley, Esq.	42x
Testimony submitted by Richard Pressler	45x

**TABLE OF CONTENTS (continued)**

**APPENDIX (continued)**

	<b><u>Page</u></b>
Testimony submitted by Paula L. White	51x
Testimony, plus attachments submitted by John M. Abeigon	53x
Testimony submitted by Judy Savage	78x
Testimony submitted by Tom Puryear	81x
Testimony submitted by Janellen Duffy	101x
Testimony submitted by Sharon Cauldwell	104x
pnf: 1-125	

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

(no response)

Let me try this one more time.

Good morning.

UNIDENTIFIED MEMBERS OF AUDIENCE: Good morning.

SENATOR RICE: Yes; where I'm from, in my District, we greet with salutations, and "good mornings," and greetings, and "we love you," and all that kind of spiritual stuff.

And we used to get everybody; it was like going to church, you know? So why don't we just say, "good morning" one more time.

Good morning.

UNIDENTIFIED MEMBERS OF AUDIENCE: Good morning.

SENATOR RICE: Okay.

On behalf of the members of the Senate and Assembly Joint Committee on the Public Schools, I want to welcome you and thank everybody for coming.

For those who don't know me -- and most of you do -- my name is Ronald L. Rice; I'm a State Senator. And my Chair will introduce herself -- my Co-Chair, Mila Jasey, will speak on her own behalf.

This is a very important meeting to us. There is going to be a lot of meetings that are going to be taking place over the next few months. I know it's going to be really interesting; but it's also going to probably be confusing to some, and maybe it will even get controversial, and even conflicting. Hopefully, we can talk about some of the issues, as they relate

to school funding, in a cooperative manner; and eventually wind up moving in one direction, collectively, on behalf of the voters and the taxpayers. That's important.

Today, the Joint Committee on the Public Schools has colleagues who are not on the Committee, but are members of the Assembly and -- yes, the Assembly side. We don't have any other Senators here -- well, did I see Senator Ruiz here? -- okay, and the Senate, who wants to participate and to hear and to learn.

There is not one of us, out of 120 legislators, that education does not impact our districts in negative ways, as well as positive ways. So it's important that we remember the children come first; the children come first. And public education is essential; 80 to 90 percent of the students and kids in this country and in this state are always going to go to public education schools. And so we have to also make sure that we can afford to pay for their education -- since it's a free public education -- without putting too much burden on taxpayers throughout the state.

So I want to say that, and be very clear about that.

The final thing I want to say is -- because I know -- that both the Senate and the Assembly are going to be meeting with additional Committees to take a look at this issue. But under New Jersey statute, the Joint Committee on the Public Schools has a statutory, fiduciary responsibility to this issue; as well as all education issues. That's the statute. That's not to offend anybody in leadership, anybody on other Committees. We have to be participants in the process.

So I just wanted to say that on behalf of my members, so that my members of this Committee are not excluded in what we have to do, as we move along.

With that being said, I will turn it over to the Co-Chairlady. And after she speaks, we're going to have everyone up here introduce themselves so that you will know who we are -- in case you have never seen us before, or you saw us, but didn't recognize us by name.

And I also want to acknowledge and appreciate the fact that I do see the Speaker of the New Jersey General Assembly, Assemblyman Prieto here. And it's good to have you here, my friend.

**A S S E M B L Y M A N V I N C E N T P R I E T O:** (off mike)  
Thank you.

**SENATOR RICE:** Assemblywoman.

**ASSEMBLYWOMAN MILA M. JASEY (Co-Chair):** Thank you, Senator. And thank you to everyone who came this morning. Clearly this is a topic of widespread interest.

I have a statement that I will read prior to beginning testimony. So for now, I'd just like to say that I represent the 27th District, which is Morris and Essex counties. And I would ask my colleagues, beginning with Assemblywoman DeCroce, to introduce yourself, briefly.

**ASSEMBLYWOMAN DeCROCE:** Thank you, Assemblywoman.

I'm BettyLou DeCroce; I represent the 26th Legislative District, which is Morris County, Essex County, and Passaic County.

I'd just like to say that I'm happy to be here again on the Joint Committee; it's always my utmost importance, in my career as a Legislator,

to do what's best for the children of the State of New Jersey in education; in every way. But education, I think, is the main tool that they need to fulfill their lives to the point of being able to be successful. Because if they're successful, we know, going forward, New Jersey will be.

So I thank everyone who serves with me. I believe it's a bipartisan issue; that I will work with both sides of the aisle to accomplish what we need to for the people and the children of New Jersey.

Thank you.

ASSEMBLYMAN WIMBERLY: Good morning.

Thank you, Madam Chairwoman, and Chairman Rice. My name is Benjie Wimberly; I represent the 35th District, which consists of Paterson, Prospect Park, Haledon, North Haledon, Garfield, and Elmwood Park.

This topic is a major concern of mine. I represent one District - - which is the City of Paterson -- which is currently underfunded by \$173.8 million. And over the last two years, we have seen our staff be depleted -- almost 400-plus staff people depleted from our school district; and the numbers of the students continue to increase.

Being a town of 8.4 square miles and over 150,000 people, it is a situation where funding will alleviate many of the other problems that we face in our city, when it comes to quality of life, when it comes to crime, when it comes to education, when it comes to employment. Fully funding our school district will revive our city and make it the once-great city that it was, and can be.

So this topic is something that is beyond just funding; it's about the total picture of life in a community; total picture -- from health, to education; to future hopes, and goals, and desires of our young people.

So this is something, Chairpersons, that I greatly appreciate that you are addressing.

Thank you.

SENATOR RICE: Assemblyman Caputo.

ASSEMBLYMAN CAPUTO: Yes; thank you, Mr. Chairman and Co-Chair.

My name is Ralph Caputo; I represent the 28th District, along with Senator Rice and Cleopatra Tucker.

And we've been struggling with this funding issue for, probably, 30 or 40 years. This is a battle that goes on through the courts, with the Legislature; and it never seems to come to its full picture, in terms of providing education on a thorough and efficient basis.

Now, even more than ever, it's become even more severe, due to the fact that everybody is fighting over the same resources. And even though we have a formula in place, those resources are being pulled by other influences; and also, many of the districts are underfunded. So we have a responsibility to put that -- whatever we do have -- available in the most equitable way.

And I think that's the purpose of our hearing today -- to analyze how these funds are being distributed, where they're being distributed, and whether or not it can be done in a more efficient way.

And of course, we understand that there are other people, other individuals who are looking to reshape the entire funding picture in the

State of New Jersey, which would probably violate a hundred Supreme Court decisions and legislative actions over the last 30 or 40 years. So there is a lot to be talked about.

Thank you.

ASSEMBLYWOMAN JASEY: Senator?

SENATOR THOMPSON: Thank you, Madam Chair.

Senator Sam Thompson, 12th Legislative District, representing Middlesex, Monmouth, Ocean, and Burlington counties.

Today's topic is certainly timely and appropriate. There is very little that affects the citizens of our state more than, actually, the school funding. And I'm not sure there is anybody in the state who is satisfied with the current status of the school funding and the school funding formula.

It is very appropriate and timely in the fact that, back on January 10, the Senate passed a resolution to create a Select Committee to consider school funding fairness; and eight members were appointed to it, four Republicans and four Democrats. And the Senate President did appoint me to serve on that Committee; and we'll be starting our hearings on that Committee a little later this month.

The problems that we have with school funding is that the law, as it was passed, was designed-- Well, it had several factors put into it. One, it was to see that various districts were held harmless when it was put in; because with the formula, some would have lost significant funding. But that was intended to be temporary; however, it has becomes permanent.

As a consequence of that, we have some districts that are now receiving as little as 40 percent of the funding, while others get 140 percent of what they should be getting.

And this is one of the things that needs to be changed. There are a number of changes, so we'll be looking for your input, your recommendations, and so on -- how we can make this more fair and equitable for everyone, and do a better job with the monies that are available.

Thank you.

SENATOR RICE: Assemblywoman.

ASSEMBLYWOMAN CARIDE: Good morning, everyone.

My name is Marlene Caride; I am the Assemblywoman of District 36; I represent 14 towns in southern Bergen County, as well as the City of Passaic.

I also have the privilege of chairing the Education Committee in the Assembly.

I agree with my colleagues that this is a very timely issue; it's an issue that we have been facing for -- not recently, for many years. I represent an array of towns -- urban, suburban, and I know that this also affects our rural areas as well.

Our prime key here is our children, and a free education that is competitive and excellent; as well as giving relief to our taxpayers -- our residents of the state.

So the Assembly has also put together-- Well, actually, thanks to our Speaker, the Education Committee will be handling the public hearings; and we have our first hearing tomorrow, so I'm sure I'll see many

of you tomorrow morning, here in this building. And I look forward to your input.

And we will be hearing -- we'll have hearings in different parts of the state; and I encourage all of you to have your counterparts attend. We're doing them in the early evening, so that way parents can attend these meetings, teachers, anyone involved -- so that you can come after work.

It is key to hear from you; this is your area of expertise. We need your input to be able to tweak and make better the funding for our students. There were things, as the Senator said, that were supposed to be temporary, which have not been -- which have become permanent. And those are issues that we need to address. So your testimony here, today, and throughout the next several weeks will be very important to all of us who sit here.

Also Chairman, Chairwoman -- thank you so much for inviting me to attend this meeting.

Thank you.

ASSEMBLYWOMAN JONES: I am Patricia Egan Jones, better known to my fans as *Pat Jones*. I represent the 5th Legislative District, which is Camden, parts of Camden County, and parts of Gloucester County.

Many of you may know that I recently -- along with my Senate colleague -- spoke out, pretty of loud and clear, about the problems we are now facing with the way we're doing school funding. I am delighted to be here; I am grateful to Senator Rice and to Mila Jasey -- Assemblywoman Jasey -- for including me here so that I can listen.

One of the reasons I joined the Education Committee as a legislator, and our Speaker appointed me to it, is because I need to learn. This issue has surrounded us for so long; there are so many brilliant people sitting here and in the audience that it just boggles my brain that we have not found a way to do it right by our children and our families. I proudly talk about the wonderful education our children get in our schools. But if we stress more of these districts by their inability to raise taxes so they can continue to support good programs to have all-day kindergarten -- all of those issues-- We need to lift this issue up; and together, collectively, find a solution.

So I will be delighted to spend a lot of time with my Chairwoman for Education, and see if we can't find a way out of this morass we seem to have found ourselves in. I'm grateful to all of you for being here, and for all your input, because I've heard from an awful lot of you. (laughter)

Thank you very much.

ASSEMBLYWOMAN JASEY: Thank you, Assemblywoman.

And I want to say we're especially pleased that the Chair of the Ed Committee was able to come and join us today. I think it's really important, and it underlines your commitment; as well the Ed Committee member, Assemblywoman Egan Jones.

At this point, it's my pleasure to ask the Speaker, Speaker Prieto, to come up and say a few words before we start our formal hearing.

Thank you.

ASSEMBLYMAN PRIETO: Thank you so much, Madam Chair and Chairman; thank you to you, and to the Committee, for inviting me here today.

And I think it is so important that you take up this, probably the most important issue in education in our state -- that's long overdue. And I want to thank each and every one of you for your advocacy for the children of the State of New Jersey; that, ultimately, this is what this is about.

As our Constitution mandates a thorough and efficient education, it is our obligation to make sure we get that delivered.

Our funding formula, as Senator Thompson said, has not gone the way it was supposed to; and some of the reasons for not being able to take some of that money -- of hold-harmless -- has been we haven't fully funded it. And that has been one of the biggest problems we have had with our funding formula.

But that doesn't mean that we need to look at the whole formula. And as sitting here -- and the Education Chair of the Assembly is here -- we're going to start holding some hearings. And it's going to be so important for us to hear from key stakeholders, and entities like this one; that it is so important.

So that's why, Chairwoman Mila Jasey, it's invaluable what you're going to bring to the table from this Committee. And seeing members from the Education Committee and the Education Chair here -- it's the seriousness of how important this is. We're going to try and look at the whole formula, from A to Z -- what has worked, what hasn't worked. And that way we can make the best decisions, moving forward.

We do have an obligation to the children of the State of New Jersey, as I said, to deliver a thorough and efficient education; that that's for our future. We also have an obligation to the taxpayers of the State of New Jersey. So we don't forget that; but again, it has to be a balance. And that's why the Assembly Committee is going to be sitting down and looking at all aspects and, again, from all key stakeholders and people who actually have ideas. And we're going to look at it all; and nothing will be off the table. But we're not looking for any predetermined outcome when we begin this. We want to make sure it's the right mixture of what has worked, what hasn't worked.

So for us, it's a labor of love -- for most of us -- as we know our districts. They are very different. We have some municipalities that are better off; some others that aren't. We want to make sure that at the end of this, we don't hurt children, we don't hurt districts, and we don't hurt the quality of life of the residents of the State of New Jersey. So it's a balance. And again, that's why we need to, you know, have legislators be part of this process.

So I think it's invaluable what you're going to be hearing. So we want to make sure that you keep us informed, so as we try and craft legislation, everybody can work together. And I welcome everybody's input; and that's why, as of tomorrow, we're kicking off with Assemblywoman Caride's Committee -- which I think the funding formula is the number one issue for that Committee. And that's why I think it's so important for the task that they have at hand.

And when we do that, I think then we'll start shaping what needs to be done. And again, that's why I welcome everybody's input; and

it's going to be invaluable, I guess, for you, Mila. And I tell you, I think it's so important what you do.

And Chairman Rice, thank you for your advocacy throughout all these years. And again, thank you so much.

And I just wanted to say -- I didn't want to be long-winded here either; I just wanted to commend you for taking on this task.

Thank you.

SENATOR RICE: Thank you, Mr. Speaker.

ASSEMBLYWOMAN JASEY: Thank you, Mr. Speaker, for coming and for gracing us with your presence, and your words, and your support. We're going to need it, I think.

ASSEMBLYMAN PRIETO: Well, I definitely-- And I'm counting on each and every one of you to make our process a better process; a process that we educate.

And I always tell everybody: We are not geniuses; but we deal with every aspect. So we need people who are really key stakeholders -- the people who are in the weeds -- to teach us, so that way we make the best educated decisions for everyone.

And again, this one is an important one. The future of our children is at stake.

Thank you, again.

ASSEMBLYWOMAN JASEY: Thank you, Mr. Speaker.

I'd like to make my opening statement; and then we will begin with our invited guests.

The SFRA -- or the School Funding Reform Act of 2008 -- is a thoughtfully designed educational formula that was constructed with significant professional and stakeholder input.

Due to the recession, it was never fully implemented during its first three years to satisfy either the Court, the Legislature, or the State.

In the face of insufficient revenue, the formula was not run. So it is still premature, nine years later, to suggest dismantling or significantly changing it.

Because of this, I do not see the need for new legislation at this time. But I am here to listen to suggestions with an open mind. Moreover, since we know we face significant revenue shortfalls, and will continue in the foreseeable future, we must find a rational way to support all of our school districts when revenues fall short.

Having said that, the first speakers are students from Fairleigh Dickinson University. And the reason they're here is because they took the initiative to contact me, months ago, to tell me that they were working on the school funding formula issue, as well as its impact across the state.

And they came to my office; they did a wonderful presentation. Unfortunately, we don't have the 30 minutes to hear from them today. I've asked them to try to condense it to 10, maybe 15 minutes to give us an overview and a history. And the idea, here, is to educate us; because it's a complicated issue. And I was really excited by their recommendations at the end. I don't know if they're going to present those recommendations today, but I'm not going to steal their thunder.

And so at this point, I'd like to have Nicolas Parra and Brandon Barlow from Fairleigh Dickinson University come up and give us a

shortened version of their presentation. And then we'll follow with all the stakeholder groups that were invited to come today.

Gentlemen, red is on (referring to PA microphone); only in Trenton. And you have two mikes in front of you; don't worry about the one that's on the tripod; that's recording you, because everything said today is transcribed; and you can have a written copy when it's done.

Thank you; the floor is yours.

**BRANDON BARLOW:** Thank you, Assemblywoman Jasey.

ASSEMBLYWOMAN JASEY: Press the button.

MR. BARLOW: Oh, sorry.

Thank you, Assemblywoman Jasey.

We'd like to thank the Committee for allowing us the opportunity to talk here today.

My name is Brandon Barlow; I'm a senior at Fairleigh Dickinson University, and I study History and Education. As a future teacher, this school funding topic is extremely personal to me, because it affects my own future.

I went to Moorestown High School; from Burlington County.

**NICOLAS F. PARRA:** Thank you, Committee.

My name is Nicolas Para; I'm a graduate of the Mount Olive School System. And, like my colleague, Brandon, I am currently a senior at Fairleigh Dickinson University. I'm studying History and Politics.

So I am going to go ahead and begin.

So, as we all know, stemming from the seminal decision of *Abbott v. Burke* in 1985, New Jersey has made great strides in alleviating the educational inequality, particularly through the school funding formula.

ASSEMBLYWOMAN JASEY: Excuse me; can those in the back hear?

UNIDENTIFIED MEMBERS OF AUDIENCE: No.

ASSEMBLYWOMAN JASEY: Okay.

Brandon, just bring your mike a little closer to you. There you go; okay.

MR. PARRA: Is that better?

ASSEMBLYWOMAN JASEY: Is that better? And lift it up a little; there.

MR. PARRA: Okay; is that better?

UNIDENTIFIED MEMBERS OF AUDIENCE: No. (laughter)

SENATOR RICE: Speak a little louder.

MR. PARRA: I'm sorry.

ASSEMBLYWOMAN JASEY: That's okay.

MR. PARRA: So, like I was saying -- as we all know, since 1985, and the seminal *Abbott v. Burke* decision, New Jersey has made great strides in alleviating the educational inequality through a revised funding formula.

As a result of the *Abbott* -- the various *Abbott* decisions, 31 districts known as *the former Abbott districts* were created to provide extra funding to New Jersey's most at-risk areas. And these policies went on to not only stabilize the sharply inclining drop-out rate--

ASSEMBLYWOMAN JASEY: Wait; your mike went off.

MR. PARRA: It's not coming back on.

ASSEMBLYWOMAN JASEY: Try the other one.

MR. PARRA: I apologize.

ASSEMBLYWOMAN JASEY: That's okay. (laughter)

MR. PARRA: So, like I was saying-- In addition to stabilizing the dropout rates in the state, the Abbott decision -- the results of the Abbott decision also improved test scores throughout the state; and even had additional benefits, such as improving student health.

Throughout the years, the funding formula was revised. And as we all know, in 2008, with the passing of the School Funding Reform Act -- or the SFRA -- the legislation recognized the struggles faced by not only poor students in the Abbott districts, but all students in the state. And as a result, the SFRA leveled school funding across the state, with the intention of having the money follow the child.

And as it was noted before, the 2010 recession did have a severe impact on the funding of the formula, and it was never fully implemented.

And with this as a background, it should be noted that there is still persisting and growing inequality throughout New Jersey; not only in its suburban and urban districts, but, as well, in the rural "Bacon" districts.

And as Assemblywoman Jasey noted, the question of amending or even replacing the SFRA will inevitably cause much discussion throughout the branches of State government. But I do say that the leaders should examine many of the successful programs that are currently in place -- those being New Jersey's free preschool program. This has been a major success of the entirety of the Abbott initiatives. And even research has shown that a high-quality preschool experience can have a profound effect, not only on a child's educational outlook, but on a child's lifetime earnings.

And a 2014 report by the Executive Office of the White House -- it showed that quality preschool education can increase a student's lifetime earnings anywhere from \$9,000 to \$30,000. This is mainly due to the crucial cognitive and noncognitive skills that a child learns at an early age.

Moreover, the Early Childhood investment -- educational investment doesn't only benefit the student; it also benefits society as a whole. The report notes that for -- that there is a benefit of nearly \$8.60 for every \$1 spent on a student. Additionally, early education does have the boosted benefits of reducing dropout rates, arrests, and teenage pregnancies -- all of which can serve to save not only State, but Federal taxpayers sums of money.

In the course of my research I found that, based on 2014 figures, the State of New Jersey spent about \$600 million to educate 45,875 preschool students through its program. That figure comes out to about \$13,318 per student. And the service currently provides -- is provided to students from about 40 districts across the state, including the 31 former Abbott districts. This current program covers all 3- and 4-year-old students within those districts, and including 4-year-old students who are 200 percent above the Federal poverty rate.

And this brings me to my recommendations to the Committee.

I would recommend the State look into passing or expanding its current preschool program to cover the entirety of all low-income preschoolers in the state. This policy shift would also imply that there would be a reallocation and repurposing of funds, such as the \$300 million proposed to renovate the building in which we currently sit (*sic*).

And I should note that although the current program has made great strides at reaching a large amount of students, given the State's budgetary concerns, our research finds that the State could expand this initiative, without a great -- without suffering serious economic consequences.

I found that according to The National Center for Children in Poverty at Columbia University, and along with the 2015 State census, there are 36,284 children who would qualify as *low-income*. And this figure is revealing, as it demonstrates that even at the 2014 spending levels of about \$13,000 per pupil, the State could educate all of its low-income students for about \$484 million.

And that is not to say that we should cut spending. I only point this out because, with this money saved, we could expand the program to cover about 76,663 students throughout the state.

And I would like to pass the floor over to my colleague, Brandon.

MR. BARLOW: Thank you.

I would like to further recommend that this Committee do further research into teacher retention methods.

Teacher retention has a huge impact on student learning. Within urban schools, they report teacher attrition rates as high as 20 percent every year. So urban districts lose one-fifth of their teachers every year, which means young students are routinely getting rookie teachers.

Urban districts present a different environment and a different set of problems for young teachers. In suburban and rural districts, the

school environment and the students all present different problems for the new teachers.

Teachers within urban districts report a lack of administrative support, and they often feel that their students are both apathetic, uncaring, and they feel that they cannot reach them. For these reasons, teachers leave the school districts and they often leave the profession. Within the first five years, 40 percent of new teachers leave the profession.

The costs of hiring new teachers can be up to \$7,800 (*sic*) per teacher, and that's from the National Commission on Teaching and America's Future.

The effect of having rookie teachers, year after year, in these schools increases the behavioral and classroom management problems that these students already face.

The Center for Longitudinal Data Research in Education reports that high teacher attrition is directly related to a decrease in test scores. As a result, a lot of the Abbott funding that has been allocated to the at-risk districts goes directly into administrative costs -- at rehiring the teachers, year after year.

So we would like to recommend that the Committee do further research into proper training and giving proper supports, in order to cut their attrition rates down.

Attrition rates can be cut in half by proper training and proper supports. So these supports require specific training for urban-ed teachers and mentorships with veteran teachers already within the district. Both of these recommendations have already been partially implemented throughout the state. Montclair University, for example, is one of 28

colleges in the nation with an Urban Ed partnership. This partnership is with schools in Newark; and in 2014, they received \$6.3 million of Federal grant money to expand their program.

This program offers young teachers a full scholarship and a \$30,000 living stipend; and Newark schools offer them a preferential hiring treatment after they have finished their college career.

Newark schools also offer induction support for the first two years for these new teachers.

The program includes professional development opportunities for veteran teachers to increase their -- to further increase their skills.

This program improves school atmosphere, and gives the teachers an opportunity to develop their skills within the district that they will begin teaching in later on.

It comes with a three-year commitment for the Montclair students into Newark districts; and this will help them get the experience they need in order to reach the kids within the district.

In the years between 2002 and 2005, 100 percent of Montclair graduates, hired within Newark public schools, met or exceeded Newark public schools teaching standards. The proper training within a college is proven to increase retention.

And as far as mentorship programs throughout the state -- in 2014, the New Jersey Department of Education began implementing them within all districts. The current requirements are one-on-one meetings with a veteran teacher for the first four weeks of teaching. And it includes a 30-week-long partnership between a young teacher and a veteran teacher; and it is to help the teachers adapt into the new school atmosphere, and give

them a wider variety of resources to use within their classrooms. The teachers report that they feel more welcomed and less isolated by the Administration.

This policy was implemented two-and-a-half years ago; so we should now begin seeing the positive effects that it will have with teacher attrition.

So we would like to recommend further expanding these types of programs, and continue investigating methods to increase teacher retention rates throughout the state.

In conclusion, we believe universal pre-K and new methods for increasing teacher retention would have a positive impact on the future of New Jersey's school systems. Both of these investments will have an increased-- Both of these are investments in the future of our students, and we'll see those investments come to fruition as they begin entering the workforce years from now.

We'd like to thank this Committee for the opportunity to talk here today; and especially thanks to Assemblywoman Jasey for bringing us here. And we'd like to commend this Committee for the passing of SCR-100 a few weeks ago.

Thank you for your time.

ASSEMBLYWOMAN JASEY: Thank you, gentlemen.

And I know it's a little daunting to come and present at a hearing like this. But I promise, we won't bite. (laughter)

Thank you very much.

I appreciate-- I think we all appreciate your recommendations, and I think you've kind of set the tone for the testimony that we're going to

be hearing. So if your schedules permit, I'd invite you to stay as long as you can to listen; you'll learn a lot. And I think the fact that students are paying this much attention is a really encouraging thing to us, in terms of our future. Because we know that the teaching profession has been under assault for some time; and I'm excited to know that there are young people like you who are still considering it as a profession. And I applaud that.

I'm now going to-- I'm going to ask my colleagues -- unless you have something really pressing -- to hold your questions; only because we have so many people coming to testify.

And I'm also going to put out a warning that I am asking those who are testifying to hold your testimony to three to five minutes. I have an assistant over here who is going to help you (laughter) -- this is from my League of Women Voter training, right? -- who is going to help you remember to hold your comments; not to read your testimony. And if it really gets-- If you are really over, I'm going to ring the bell. (rings bell) (laughter)

Okay.

Colleagues, if you have anything pressing--

ASSEMBLYWOMAN OLIVER: I do.

ASSEMBLYWOMAN JASEY: And welcome--

ASSEMBLYWOMAN OLIVER: Yes, I have something pressing.

ASSEMBLYWOMAN JASEY: Welcome, Assemblywoman Oliver.

ASSEMBLYWOMAN OLIVER: Yes, thank you.

Good morning, gentlemen.

I'm sorry that I wasn't here at the beginning of your presentation, but I am a quick learner. And I believe I read this document that you presented, correct?

UNIDENTIFIED MEMBER OF COMMITTEE: That's not theirs.

ASSEMBLYWOMAN OLIVER: That's not yours? Oh, okay.

So I heard you-- And I took interest because I represent the 34th Legislative; Montclair State University is in the District. I have a great deal of familiarity with everything that has happened and the leadership that Doctor Cole and the academicians have done with K-12 at Montclair.

But I heard you discuss the issue of attrition; and you made reference to the issue of attrition, particularly in the Newark school system. And you talked about the correlation between graduates of Montclair who are going into the Newark system.

And you did great research; I commend you, as Assemblywoman Jasey said. But I would like you to pay attention to other factors and variables that have contributed to retention and lack of it, thereof, in the Newark District, which is, number one, a State-controlled district. And look at the administrative structure that was created and put in place in the Newark District. That had a great deal to do with attrition and people going out of a revolving door. It had nothing whatsoever to do with children, and teachers' interactions with "challenged" students or disadvantaged students. There had been an environment of administrative upheaval in the Newark District for many years.

And I think we're doing a disservice to the educators in that District if we do not examine those variables. You know all of the chaos

that ensued with the universal enrollment system in the City of Newark's District? We never saw consistency, in terms of veteran educators in the District being able to come up through the administrative structure; the politics that went on, in terms of who got to be appointed principal, and school leadership teams.

So you cannot overlook those variables in the operation of the District and draw conclusions about why we have issues of teacher retention.

ASSEMBLYWOMAN JASEY: Thank you, Assemblywoman.

Is there anyone else?

ASSEMBLYWOMAN DeCROCE: Just something, real quick.

ASSEMBLYWOMAN JASEY: Yes, Assemblywoman DeCroce.

ASSEMBLYWOMAN DeCROCE: I wanted to add, too -- and correct me if I'm wrong in what I thought I heard.

When you talked about preschool funding-- And just know that this Committee, and Assemblywoman Jasey, and I are very much advocates that preschool funding should be in place, as well as full-day kindergarten. And we've been fighting for that.

And I thought I heard you talk about preschool funding -- that it needed to be in the low-income areas to be funded -- in your testimony. Because in most of those districts, it is. But what we are looking at is preschool funding should be uniform across the state of New Jersey for all students; and so should full-day kindergarten.

MR. PARRA: I apologize if the language isn't clear.

I think the point I would want to stress is that even at the current level at which we are funding preschool, with extra money coming

in from reappropriations, it could be stretched further than just kids who are the beneficiaries at this moment. So if my calculations hold true, we can increase it by, maybe, 30,000 students with the new influx of money.

ASSEMBLYWOMAN DeCROCE: Well, I commend you for that; but I don't think that's even enough. So I think it should be greater than that.

And just one other thing that you did comment about. And you said, in the urban districts, the teachers -- there's a lack of administrative support, which is part of the problem. But I can assure you, from the area I come from--

And did you say you're from Mount Olive Township in Morris County? So I live in Parsippany, so I do represent that area; worked up in Roxbury, right next to you, for all of 23 years. I can assure you that support is felt by teachers all over; it's not just in urban districts that there is a lack of administrative support for the teachers. And I think that's something that we need to look broadly at as well.

So thank you so much, though, for your input and talking about it. I think it's very important for all of us to listen and hear.

And I do say you should stay and listen to some of the testimony.

Thank you.

ASSEMBLYWOMAN JASEY: Thank you.

Okay, guys, you can go back to the audience. (laughter) Thank you so much.

First up, we have Sharon Krenzel, from the -- who is the Policy and Outreach Director from the Education Law Center. And she will be followed by Marie Blistan, Vice President of the NJEA.

Good morning.

**S H A R O N   K R E N G E L:** Good morning.

And thank you very much, to the Chairs and the Committee, for this opportunity to talk about school funding.

**ASSEMBLYWOMAN JASEY:** Excuse me; can you unplug the door back there?

Thank you.

**MS. KRENGEL:** Okay; thank you.

So I want to start out by saying that New Jersey leads the nation in funding public education, through the School Funding Reform Act that was passed in 2008 on a bipartisan basis after lengthy research and a lot of input.

And the reason why we are leaders across the nation is because we don't fund schools according to political considerations or available resources in the State. We fund schools according to student need and school need. And that's very important. We do it through a weighted student funding formula.

So there's more information in my written testimony about the SFRA. And I know that other folks, here, who are going to testify this morning, are going to talk about it some more.

But what I want to stress is that the formula has never been funded. So in the current school year, schools should be receiving an

additional \$1 billion under the formula. And the total amount of underfunding, over these years, since 2008, is \$8 billion.

The result of what that underfunding means -- I'm going to leave that to the educators, and the administrators, and the stakeholders here to let you know about that. In a nutshell, districts have cut to the bone; I don't think they can cut -- that there is anything left to cut, for obvious reasons. And we know that we need to get back on track with the school funding formula.

But the main concern for us, right now, is the Fiscal Year 2018 State budget. So Governor Christie -- who has never funded the formula -- has spent this past six months talking about his so-called *fairness formula*. He wants to change the way that we fund schools in New Jersey. And he wants to provide school districts with the same amount of money for every student in the state, regardless of student need or school need.

So we know that the Governor can't get his funding proposal through the Legislature. You know, year after year, during budget hearings, I come here, and I applaud, and am grateful to the Legislature for being champions of the School Funding Formula. And so the Governor is not going to get his fairness formula through the Legislature.

But what we are hearing, and what we are very frightened about, is that he will put it in his State Budget for Fiscal Year 2018. Now, the result of that would be -- and again there's more information about this in my written testimony -- but 143 districts would see their State aid cut, in that case; 78 low-wealth districts would lose, on average, a staggering \$7,417 per pupil, or 40 percent of their operating budgets. State aid would drop in 56 middle-wealth districts by an average of \$1,494 per pupil, or 8

percent of their operating budgets; 129 higher-wealth districts, with low student need, would get a huge influx of State aid. But the Governor's plan earmarks that aid for property tax relief, and not for educational programs. And those districts' budgets would actually go down.

So in other words, the Governor wants to cut property taxes in more affluent communities, and pay for that with State aid taken from poor school districts. And the result of that is obvious to all of us, right? Massive layoffs around the state. And that would be, you know, obviously, not just in teachers; but right across the board in staff at these schools; an enormous increase in class sizes; perhaps some schools closing; and an incredible downsizing of educational programs.

And what would happen is that the entire state would suffer. Because the layoffs would obviously have an impact on the State's economy and regional economies; and families would flee cities and towns where their schools were devastated by these cuts.

And the one other piece that I want to stress too -- especially following after the students from FDU -- is that the Governor's proposal would completely do away with high-quality, full-day preschool for 3- and 4-year-olds -- completely do away with it -- as opposed to expanding it, as these gentlemen talked about, which is part of the SFRA.

So very briefly: What we are hoping for in Fiscal Year 2018 -- in the Fiscal Year 2018 State budget, is that we begin to get on track with the SFRA. So we need to phase-in some new State aid through the formula; we can target that to districts that are most under adequacy. We're experiencing significant increases in student populations. We understand that districts are suffering with these things. We can gradually phase-out

adjustment aid to districts that are over adequacy only, not under adequacy. We can raise the 2 percent cap in local property tax increases for school budgets in districts that have a sizable gap between their local levy -- what their local is and what their local fair share should be, under the SFRA.

So I just want to say, really briefly -- and I am happy to answer any questions and talk more about the SFRA, if that's helpful -- but the Governor's plan turns the clock back in New Jersey, what, 50 years? We have a fair and equitable school funding formula; but it hasn't been implemented. And we need to make sure that we get our resources to the students, and the schools, and the communities that need those the most. We need to work towards full SFRA implementation.

Thank you very much.

ASSEMBLYWOMAN JASEY: Thank you.

Colleagues, any brief questions?

ASSEMBLYMAN CAPUTO: Yes, I just--

SENATOR RICE: Is she going to be -- is she going to stay?

ASSEMBLYWOMAN JASEY: Are you going to be able to stay?

MS. KRENGEL: I am; yes.

ASSEMBLYWOMAN JASEY: All right; okay.

SENATOR RICE: Because I have a question for her.

ASSEMBLYWOMAN JASEY: Do you want to hold it, or do want to ask now?

ASSEMBLYMAN CAPUTO: I'll just--

Obviously, we understand the devastation of that recommendation -- what it would mean to many children of the State of New Jersey.

Just thinking forward, if that happens -- and the Governor's budget does cut the funding and make it more homogeneous with all the other districts in the state -- our recourse would probably be a court action, probably, immediately. Because I think it would violate the Constitution and all the decisions that have been made over the last 30 or 40 years.

Do you agree?

MS. KRENGEL: So our view is that it is unconstitutional. The SFRA is the law.

ASSEMBLYMAN CAPUTO: Right.

MS. KRENGEL: And if the Governor would like to see the law changed, he has to come to the Legislature and try to do that.

So yes, if he were to implement this through the budget, that is not constitutional.

As far as court actions go, I can wiggle out of that one by saying that I am one of the few people at the Education Law Center who is not an attorney (laughter); I do legislative and policy work. You know, I know the folks are talking about it, but I don't know the details.

ASSEMBLYMAN CAPUTO: Well, the other part of that is that districts would have to plan; by the time they receive those figures, it would be a planning document for the next year. So you see the difficulties here.

MS. KRENGEL: Yes.

ASSEMBLYMAN CAPUTO: It's a very ingenious way of getting -- accomplishing what the Administration wants. But in terms of keeping the tranquility at a level that -- it's really unsatisfied at this point. It would be very difficult.

I think we have to be ready for this, and I am glad that you brought it to our attention -- I think most of us are, but the rest of the members of the Legislature should be very aware. Whether they feel happy about the way the taxes are applied in these suburban towns or not, it will cause turmoil throughout the entire state.

So I think it's a good -- very strong point you're making.

MS. KRENGEL: Yes; I appreciate hearing all that. I think that that's exactly right.

And as you bring up -- just very briefly, you know, the school budget calendar does not match the legislative budget calendar.

ASSEMBLYMAN CAPUTO: Right.

MS. KRENGEL: And so, yes, school districts will receive, within 48 hours of the Governor's budget address, what their State aid should be under his proposal. They will be in chaos; and they will have to strike budgets and make decisions about hiring and firing well before the June 30 deadline for the Legislature.

So yes, thank you for bringing that up.

ASSEMBLYWOMAN JASEY: Thank you. I'm glad you brought that up, and I'm sure that this is going to come up in our hearings to follow.

Thank you very much.

MS. KRENGEL: Thank you.

ASSEMBLYWOMAN JASEY: Next up, Marie Blistan, from NJEA; followed by Betsy Ginsburg, Executive Director of the Garden State Coalition of Schools.

**MARIE BLISTAN:** Good morning.

Thank you, Assemblywoman Jasey, Senator Rice, for chairing this Committee. And thank you to everyone else for choosing to be on this Committee.

With me is Osomo Thomas from our Government Relations area, and one of our experts on school funding.

Thank you for holding this hearing and being on this important oversight Committee for public schools.

My name is Marie Blistan; and I'm a public school teacher for over 30 years in the classroom, teaching students kindergarten through 12th grade, spending most of my time working with students in special education.

And I am also the proud Vice President of the New Jersey Education Association.

So in 2008, both Democrats and Republicans came together and they formed and created the School Funding Reform Act; which the intent was to level the playing field for all students. And it was done with informed input from stakeholders, and it was also upheld in the New Jersey Supreme Court.

I am going to, simply, bullet some of the information that I gave to you in your testimony.

But since 2010, as has been noted, the School Funding Reform has been underfunded by about \$1 billion each year, and has led to gross inequities in State aid.

NJEA obviously believes that the School Funding Reform Act should be followed, and should be fully funded. But in the event of a budget shortfall, there are mechanisms already in that law to address that. But instead of following the law, we now hear of quick fixes from some of our elected officials.

Governor Christie's proposal further reduces aid to approximately 414,000 children by about \$3 billion. Senator Sweeney's proposal reduces aid to about 715,000 children by about \$685 million -- less impact than Governor Christie's. But ladies and gentlemen, choosing the lesser of two evils for our children is simply unacceptable.

There are claims that some districts are overfunded due to this adjustment aid. But this is also misleading. We cannot gauge the adequacy of funding levels until we actually follow the law. And to blame adjustment aid for today's State aid problems is simply a diversion from the State's failure to fully fund the School Funding Act.

Furthermore, we feel that it's incredibly important that we also look at the financial impact of charter schools on our traditional public schools. NJEA believes that it is time to adjust that law to reflect the times. The original intent was not to create a separate system, or even to segregate students. But today, it appears that this is, far too many times, the case.

Charter schools should be transparent in their reporting of State funds; funding of the charter schools, at the expense of every other student in the state, must be addressed. And we believe in a moratorium --

and thank you, Senator Rice, Assemblywoman Jasey -- on new charter schools until a study of the last 20 years can be conducted. And no new charters should be granted until the School Funding Formula is fully funded.

NJEA, however, does support Speaker Prieto's proposal, as it does require legislative input, and oversight, and stakeholder input in the study.

In conclusion, our graduation rate is second in this nation; and we have made great strides -- and our leaders -- in closing the achievement gap. But ladies and gentlemen, we are well aware of the pockets of disparity in this state. We have children, every day, coming into our schools who are hungry, who are homeless, who are living in abject poverty; and are afraid in the neighborhoods in which they live because of the crime rate, because of the lack of financial resources there. It is time that we come together and fully fund this formula and follow the law. And we are asking for your help in making us get to the first step in making success a reality, not just for some, but for all of our children.

Thank you.

ASSEMBLYWOMAN JASEY: Thank you.

And we didn't have to buzz you. (laughter)

I appreciate the written testimony.

Members, are there any questions you'd like to pose at this time? (no response)

Seeing none, thank you very much.

MS. BLISTAN: Thank you again.

ASSEMBLYWOMAN JASEY: And I hope that you'll stay for a while.

MS. BLISTAN: Yes.

ASSEMBLYWOMAN JASEY: Betsy Ginsburg; followed by Melanie Schulz, Director of Government Relations, for the New Jersey Association of School Administrators.

Betsy Ginsburg.

I think that one may not light (referring to PA microphone).

**E L I S A B E T H G I N S B U R G:** Okay. That being the case-- All right, we're in business.

Thank you for having me here today; and thank you to the Committee for shining a bright light on the issue of school funding.

I'm here for Garden State Coalition, a group of some of the finest school districts in the state. And I want to echo what my colleagues have said in previous testimony. You have our written testimony, which is quite extensive.

What I want to talk about is solutions, because I think everybody in this room today is solution-oriented.

The formula-- Garden State was in at the beginning, along with many of the groups that will speak here today. And the thing that came out of the formula was that the formula is a way of bringing all districts together, all children together, under one umbrella. We hope that this thoughtful review of the formula -- that is starting here today with this hearing, and will continue -- will bring us back together under one umbrella. We think that anything that is nine years old needs a thoughtful review to

accommodate changes in economics and demographics that have happened in this state. That is beyond politics; it is just common sense.

We think that the consequences of underfunding are everywhere, including in our districts. We have 1st grade classes with 26 students; and if you don't think that's a lot, you don't know how much is in a 1st grade classroom. We have districts that have had to defer great programs that will help our students compete, now and in the future, because of tight funding. And of course, we all know, that in every district there are school buildings we have been patching together for years because we haven't had the money to do the capital projects.

So that's the past. But let's talk about the future,

We know that quick fixes mean that we can't possibly all come together. There is no quick fix out there that brings all districts together. We know that the best way to lower property taxes in New Jersey is to fund public education properly for everybody.

We know that the State faces great structural problems that have to be solved. And we know that, as Assemblywoman Jasey said earlier, there is going to be a shortfall next fiscal year; we're looking at shortfalls, probably, in the future. So we would ask that while the thorough review of the formula goes on -- because it's not an easy process -- that we, going forward, starting in the coming 2017-2018 school year, we run the formula; and we continue to run the formula every year. We prorate the available funds; but we make sure that we stop the, sort of, multiplier effect that has harmed school districts, that has come from not running the formula.

So you have our written testimony. I'd be happy to answer any questions.

ASSEMBLYWOMAN JASEY: Thank you.

And I think we all appreciate the fact that you came with solutions, possible solutions, and a path forward.

Colleagues?

SENATOR RICE: Yes.

ASSEMBLYWOMAN JASEY: Yes, Senator Rice.

SENATOR RICE: First of all, it's good to see you this morning, Ms. Ginsburg. How are you doing?

MS. GINSBURG: Thank you; I'm fine. I will be fine after a while.

SENATOR RICE: Yes; thanks for, as the Assemblywoman said, bringing solutions. I know that you, and the Mayor, and Assemblywoman Cleopatra Tucker, and Assemblyman Caputo, and I have had this conversation before -- that we recognize that the formula has to be looked at, and possibly changed. And I think you heard the history of it; it was really never fully implemented, so we don't really know, one way or the other, how to measure it. I think that's important.

I think it's also important for people on this Committee to recognize that Assemblyman Caputo and I, on this Committee, represent one of the wealthiest communities in the State of New Jersey. And that is Glen Ridge -- where you travel from. And when communities like Glen Ridge start to have problems with public school funding-- And they don't talk about taxes, per se. The one thing I've learned in Glen Ridge, when we started to represent them-- And I know that Assemblywoman Oliver can speak to this, because she represented. I asked the Mayor, I said, "What are your needs?" He said, "We don't have needs." He said, "We recognize

in this community, when we purchase here, it is very expensive; but we pay our way.”

And here it is, years later, that the Mayor and the school district is telling us that they can pretty much carry their own weight; but there are some problems with the education system, particularly when it comes to adequacy aid and things of that magnitude.

And so we are going to try and fix it. And we’re not going -- at least I can speak on behalf of the 28th Legislators -- we’re not going to get hung up in the politics of people’s rhetoric down here. We know that this is not a process that’s going to take place overnight; we know, like you said, we have to do some things now to kind of measure out where we should be going; because we have no read, etc.

So I just want to thank you for taking the time to come down, because I suspect you may not be here all day. And I just wanted to say that to you, okay?

Thank you very much.

MS. GINSBURG: Thank you.

And if I might add one quick thing.

The districts that I represent -- one of the things that’s most important to us is the social contract that binds us all together.

SENATOR RICE: Yes.

MS. GINSBURG: And we feel very committed to that social contract, and think that any solution that does not address the needs of all does not address our needs.

SENATOR RICE: That’s right.

MS. GINSBURG: Thank you.

ASSEMBLYWOMAN JASEY: Thank you.

Next up, we'd like to hear from Melanie Schulz, Director of Government Relations, New Jersey Association of School Administrators; and she will be joined by two of her colleagues, who will introduce themselves.

And after they speak, Michael Vrancik from New Jersey School Boards.

Good morning. It's good to see both -- all of you again.

**M E L A N I E S C H U L Z:** Good morning, members of the Joint Committee on the Public Schools.

I'm Melanie Schulz, Director of Government Relations for the New Jersey Association of School Administrators.

It is our pleasure to be with you today.

The Joint Committee, statutorily charged with the ongoing study of free public schools -- this is a perfect place to launch this discussion.

When I was preparing to come to the Committee today, I dug out my book that I kept in 2007, when I actually was Executive Director of the Joint Committee on the Public Schools, and went to many, many hearings across the state. The issues remain the same, unfortunately. The funding has not come to what we need it to be. I think that's going to be largely the conclusion we come to -- is finding money to finance all of this.

With me today-- And in the audience is our Executive Director, Dr. Richard Bozza. But speaking on behalf of NJASA today is Dr. Ken Greene -- he is Superintendent in the Newton School District; and Mr.

Patrick Fletcher, who is the Superintendent in the River Dell Regional High School School District.

I will turn it over to them.

Thank you.

**P A T R I C K J. F L E T C H E R:** I started a timer so I could keep myself on task. (laughter)

We prepared a presentation for you; and you have copies of it. We will try to move through it as quickly as possible.

Mr. Chairman, Madam Chairman, thank you for the opportunity to be here to address this very important issue.

We're going to skip through the slides relatively quickly, because some of our colleagues who have spoken already have indicated some of the scope of the problem.

However, it's important to recognize that the formula that exists today -- the SFRA -- has never been fully funded; however, it has been thoughtfully derived by the Legislature, and it has passed constitutional and judicial measure.

We would like to see the funding formula utilized, particularly because it addresses several areas which cut across all geographic, economic, and zip codes, if you will. And that includes the economically disadvantaged student, the English-proficient (*sic*) student, students with disabilities in the district.

There are two portions of the law that are important: the adequacy budget, which my colleague, Ken, will speak about in a little more detail; and then the other aid that comes for us.

As has been said before, the formula has been constantly underfunded, and there has been an indication of a collective, if you will, underfunding that's occurred since 2008. We're really suggesting that we, kind of, move forward, if you will, and not try to adjust that collective underfunding that's taken place in the past, which is-- The effects--

We were asked, if you will, for three questions; and what were the effects of this underfunding on school districts. We are providing to you a slide, here, which is indicating that even though there's a tremendous amount of money that's provided to education, an increasingly large percentage of that is going to non-instructional areas, when we look at State funding for schools all together.

What it does is, it looks -- it forces districts to look for efficiencies. Which is a good thing; it's not a bad thing. However, with the constantly underfunded (indiscernible) and the ever-increasing amount of mandates that keep coming down, what's happening is that there's a gap that's occurring. And the gap is only getting worse as the years go on.

And what it does is, it negatively impacts students and their ability to learn. And it also negatively impacts student achievement. While there are pockets of increased student achievement, overall it's a drag on the system.

And districts -- Ken, I have to turn this over to you -- districts are then forced, if you will, to cannibalize existing programs in order to meet the costs of all these things that we had before.

So there are three quick slides that go through -- that just show you and illustrate the point that underfunding cuts across all student enrollment levels; it cuts across all geographic regions; and it cuts across all

of the districts arranged in the old-fashioned DFG, or *District Factor Grouping*.

Dr. Greene.

**G. KENNEDY GREENE, Ed. D.:** Thank you.

Thank you, Pat.

So I want to hit a couple of pieces of data that I think are really important to address.

Pat just noted that this underfunding problem cuts across all of our groups; and that's, I think, an important problem to understand.

There are really two problems -- I think it was stated on a previous slide -- two problems that equal \$2 billion. There's a \$1.4 billion problem of underfunding; and we've talked about that, and that is a huge issue. The other part of the problem is a \$600 million problem of inequitable distribution. And with all due respect to previous testimony, inequitable distribution -- largely by adjustment aid -- is not a diversion. It is a problem, and it is something that I believe we can solve.

I'll give you a couple of pieces of data points here.

We currently, in Fiscal Year 2017, have 212 districts that receive more than 100 percent of their calculated SFRA aid; 212. That's not a small number, that's not a small issue. And I have yet to hear the good argument why any district should get more than 100 percent of their State aid, especially when there are many others that are receiving much less. And this has continued the same way, with no adjustment to the economic realities or changing demographic circumstances of those districts.

There are 379 other school districts receiving less than 100 percent of their funding; 239 of them receiving less than 70 percent.

So it's not like this is all tightly around a number. Even if we had acknowledged that the State is funding 85 percent of the formula, approximately, it's not like all the districts are tightly around 85 percent. We have districts receiving as little as 10 percent of their funding; we have districts receiving 500, 600 percent of their funding. It's incredibly diverse, and it's unfair in how that's being--

And of course, the consequences -- and we alluded -- this was alluded to earlier in the discussion -- is that districts are forced to try to make up the difference by raising their local taxes above what their local fair share is, and that's also not fair. This is a tax issue, obviously, as well as a funding issue.

Let me just hit a couple of other slides. I think some of you are my vintage, or older, and recall the old 7-point grading system that we all went to school with: 93 to 100 an *A*. I remembered 85 to 92, maybe more than 93 to 100; but we all have had our own experiences.

And what this slide does is to demonstrate how underfunding and inequitable distribution of State aid impacts on local taxes. So again, there's a lot of data here, but I think it's important to note that we have 256 districts that are contributing above 100 percent of their local fair share. Now, a good bit of that is because those districts chose to have a more-than-adequate budget. And if they're willing to fund that locally, that's fine; that's the essence of local control.

But when that has to be done to make up for the fact that the State is not providing its fair share, that's when it becomes a tax fairness issue, and there's a significant number of districts that are in that.

Clearly, we also have 335 districts that are below 100 percent; many of them well below 100 percent. And so I would encourage the legislators to take a look at some of the state, and identify where some of these issues are with taxes.

The next slide talks about the impact of underfunding on budget adequacy; and again, I think we see a very wide distribution in terms of budget adequacy.

And the final of these slides is -- well, then, let's take a look at State aid and how might New Jersey be graded for its distribution of State aid. And the fact of the matter is that we have, again, many districts that are receiving more than 100 percent; 138 of them are receiving more than 130 percent of their funding. Again, a gross distribution problem. We also have 239 districts -- as was stated before -- less than 70 percent.

A couple of quick slides just to talk about some myths and truths about State aid.

The first myth: That this is mostly an issue in smaller districts, or high-poverty, or in a particular region of the state. We talked about it: It cuts across all groups.

A second myth: That the funding inequities are simply about the former Abbott districts and everyone else -- or versus everyone else. That's been promoted. The fact is, that's not true; 17 of the 31 former Abbotts are not receiving their full State aid, and they are noted there.

Thank you very much.

A third myth: That the inequity is a result of the economic recession in 2008; and I think it was stated before. This is a long-standing problem, which was not created nine years ago; and it continues on.

The fourth myth: Funding inequities are bound to exist, given all the variety of student needs. But the reality is that State aid can be distributed much more equitably than it's being distributed now.

And a final myth: If State aid is redistributed to some districts, other districts would become losers. I can't see how any district that receives 100 percent of its State aid can be considered a *loser*, especially when we have many districts well below that.

So just the last slide; key takeaways. Two major problems: A \$1.4 billion underfunding problem; a \$600 million distribution problem. Both of these problems impact budget adequacy and local tax fairness. We have 212 school districts receiving more than 100 percent of their State aid; why? And we have 379 others receiving less than 100 percent of their State aid. We can do better than this -- we can do better.

But thank you for your time and your patience with us. And any questions, we'd be glad to answer.

ASSEMBLYWOMAN JASEY: Thank you.

I believe Assemblyman Caputo has a question.

ASSEMBLYMAN CAPUTO: Yes; first I want to thank you for your research and your testimony.

But I want to zero in-- There are a lot of other complexities; but the inadequate distribution problem, okay? The formula is what it is, okay? So, in other words, whether people get funded fully or not, the formula is set in stone in terms of the law, correct?

DR. GREENE: Correct.

ASSEMBLYMAN CAPUTO: All right. So how does somebody get a redistribution of additional money? What does a school district do;

who do they see; who do they talk to in the Department, or anywhere else in State government, to get additional aid, over and beyond what they were allotted? How does that happen?

DR. GREENE: Well, exactly what we're doing here today. We're before you because one of the reasons why that is, is a pot of money -- \$600 million -- was set outside the formula to keep--

ASSEMBLYMAN CAPUTO: Who makes that decision?

DR. GREENE: Well, that decision is-- It was a legislative decision which created it--

ASSEMBLYMAN CAPUTO: No, no, no. In other words, \$600 million is set out, in terms of the legislation. Who makes the decision about who gets and who doesn't get?

DR. GREENE: The districts that received that money, as of 2008, are still receiving it. So it isn't really a decision; they've been held at the level that they were in 2008. There have been no further decisions made. That's simply where it has--

ASSEMBLYMAN CAPUTO: No; but we're talking about outside the formula -- monies outside the formula.

DR. GREENE: I'm talking about \$600 million that has not been put into the formula itself; it has been kept aside and referred to as *adjustment aid* to keep districts whole.

ASSEMBLYMAN CAPUTO: Well, that adjustment aid -- who makes the decision on adjustment aid? Was that in the law?

DR. GREENE: It was added to the law in 2008; that's correct.

ASSEMBLYMAN CAPUTO: I don't know how anybody swallowed that. (laughter)

MR. FLETCHER: Unfortunately, Assemblyman--

DR. GREENE: We did, unfortunately.

ASSEMBLYMAN CAPUTO: Not me; I wasn't here.

DR. GREENE: I know; I understand.

MR. FLETCHER: Unfortunately--

SENATOR THOMPSON: That was one of the problems with the law when it was passed.

ASSEMBLYMAN CAPUTO: Pardon?

SENATOR THOMPSON: That was one of the problems with the law when it was passed. It said we'll hold-harmless; and so when you said *hold-harmless*, that means people are going to get more money than they're entitled to--

ASSEMBLYMAN CAPUTO: Well, you're either going to have a formula--

SENATOR THOMPSON: --according to the formula itself.

ASSEMBLYMAN CAPUTO: You're either going to have a formula that people can--

SENATOR THOMPSON: But the law says they are held harmless. So no matter what you compute, they're going to get this additional money. So that's not a decision somebody makes; they were getting it, they are held harmless, and there's nothing you can do unless the law is changed.

DR. GREENE: I agree.

ASSEMBLYMAN CAPUTO: Well, we can debate this all day long. But what it is, is terribly unfair. This should have been tested in the courts immediately.

Thank you.

ASSEMBLYWOMAN JASEY: Actually, I believe -- wasn't it supposed to be run for three years to see that, you know-- And we never were able to run it for those three years, and then come back and revisit it.

DR. GREENE: Correct.

ASSEMBLYWOMAN JASEY: Yes, Senator.

SENATOR THOMPSON: I agree. It was intended to be temporary; but it has continued forever.

One point you made there -- you also suggested that one of the problems was that a good deal of the money that comes in goes for Social Security, and so on, rather than directly into the school -- that is, State money. Well, the State money didn't go to pay the Social Security, etc.; your local taxes would. So I'm not sure that's a valid complaint -- that part of the State money goes for things like paying Social Security, rather than directly into the classroom. Because if it didn't come from the State, then you have to get it from local taxes; so it's six of one, half-a-dozen of the other, if you refer to that.

MR. FLETCHER: Well, what we're referring to there, Senator, is the fact that, for TPAF members, the State makes up the employer portion of Social Security. So when all aid is calculated -- and it's a significant amount of money in New Jersey -- some of it goes to support debt service; some of the education aid supports educational debt; some of it supports pension contributions that the State is obligated to pay; some of it supports the TPAF portion of Social Security.

So in other words, while the pot is growing, it's still being diverted into other areas that are not directly impacting the classroom, which is the point we're just trying to illustrate.

SENATOR THOMPSON: But still if it were not (indiscernible) that way, then some of your local taxes would have to go there as well. So it's keeping your local taxes down, no matter how it's spent locally, you mean.

MR. FLETCHER: No question.

DR. GREENE: Yes, that's true. But that, I think, further points out why the State aid imbalance, again, puts that burden back to potentially overburdened local taxpayers, which we already mentioned.

But that's a good point. Because if some districts are paying more than 100 percent of local fair share already, that's being used to fund some of these things; and continued education spending has to come from them, because it's not coming from the State.

SENATOR THOMPSON: So I guess the bottom line question would be -- you speak of the \$600 million is going there, and so on; so some districts are being overfunded, others are being underfunded. And again, this is because of the existing law, which says--

So is your recommendation for addressing this, change the law so that we will not be overfunding and we will be complying with the formula; as opposed to the codicils that were put in there to hold-harmless, and so on? Is that your recommendation?

DR. GREENE: Yes.

SENATOR THOMPSON: Thank you.

ASSEMBLYWOMAN JASEY: Assemblywoman DeCroce.

And while you're asking your question, I'm going to ask Sharon Krengel to come back up.

Go ahead.

ASSEMBLYWOMAN DeCROCE: A question: Can you tell me what the average cost per student in the State of New Jersey is right now -- average?

DR. GREENE: I don't have that data right in front of me; no, I don't have that.

ASSEMBLYWOMAN DeCROCE: How much? About \$13,000? (speaking to Assemblyman Caputo)

DR. GREENE: What I do have--

ASSEMBLYWOMAN DeCROCE: Between \$13,000 and \$14,000. So when we're talking about this, I have, right in front of me-- And I'm going to look at a town in my District -- particularly my town of Parsippany -- where, right now, per pupil aid that costs between \$13,000 and \$14,000 per student, per year is-- Parsippany receives \$674 per student, per year; and that's all they get, and the taxpayers make up the difference to educate that student; between \$13,000 and \$14,000. So that's where the inequity is coming in, and that's where the property taxes are going.

And we talk about low-income housing, we talk about Mount Laurel; we talk about all the issues that we face, and the disparities that are going on in the State of New Jersey that are unfair. And I think this is, kind of, the root of it all. Because how does anybody move into an area like Parsippany when you have to offset the cost of schooling? So the property

taxes are going to be high; property taxes are going to be high to sustain the amount of students and to educate them to the level they need.

So that's what we're all talking about. We're all talking about fairness; we're all talking about figuring this out so anybody can go to the school they want and live in the community they want. And how do we do this? This is, like, the hardest, deepest, rottenest piece of problems the State of New Jersey has. Because you know what? The bottom line is, this is the root of what's really going wrong in New Jersey. It's all right here; and we have to be very careful, we have to be very thorough. Because what we're dealing with is the education of our children. And we have to do it right, and we have to do it fair.

ASSEMBLYWOMAN JASEY: Thank you.

DR. GREENE: If I can just make a comment.

Something that was distributed to each of you was a, sort of, "look at your Legislative District." So to your point, it's showing you data that shows the percentage of the local fair share that each tax base is paying -- the percentage of that fair share; also the percentage of State aid that's being received.

So to your point, the issue -- so much isn't the dollars per student; it's the percentage of the local fair share that's being funded. And if that's less than 100 percent or more than 100 percent, that's where the imbalance comes in; the same with State aid.

ASSEMBLYWOMAN DeCROCE: It's all in this?

DR. GREENE: Yes, yes. It's-- And that's why-- And the document, I think, is being shared around.

ASSEMBLYWOMAN JASEY: Thank you.

Assemblywoman Oliver.

ASSEMBLYWOMAN OLIVER: Yes; thank you.

While I can understand some of the points that Assemblywoman DeCroce is making, I think I would want to issue a cautionary warning to my colleagues in the Legislature.

We can't examine trying to solve this problem without looking in a broader context of how we solve problems across the board. And we have problems across the board. And I had voiced, to some of my colleagues, we cannot continue each voting session to vote on bills that are taking revenue out of the revenue stream. I've heard numbers thrown around -- \$600 million, \$648 million -- and all it harkens my memory back to is, with each subsequent voting session, we are voting bills out of the Assembly and the Senate which, if they are signed into law by the Governor, are going to further reduce the revenue stream.

How can we solve this monumental problem without putting a moratorium on taking money out of the revenue stream? There's less money to go around. You look at every stream of revenue that we utilize to pay for these things: We've reduced the sales tax; we've reduced the estate tax; we've reduced the inheritance tax. I'm not saying that these taxes did not need to be reduced. But you can't have an expectation that we do those things and then come back, three and four weeks later, and try to figure out how we implement a fairness formula.

ASSEMBLYWOMAN JASEY: Thank you.

ASSEMBLYWOMAN JONES: I have a question.

ASSEMBLYWOMAN JASEY: Yes.

ASSEMBLYWOMAN JONES: Who decides the municipalities' ability to pay? Where does that decision come in?

DR. GREENE: That's a calculation made by DOE; the local fair share calculation. The Department of Education makes that.

ASSEMBLYWOMAN JONES: Based on something submitted by the municipality?

DR. GREENE: Based on a combination of income and property wealth.

ASSEMBLYWOMAN JONES: So if a municipality, somehow or other, keeps their tax base low, they're going to end up getting more funding?

DR. GREENE: Well, not necessarily; but that does happen. That is a circumstance that does happen.

ASSEMBLYWOMAN JONES: Thank you.

ASSEMBLYWOMAN JASEY: Assemblywoman Caride, and then Senator Rice.

ASSEMBLYWOMAN CARIDE: Good morning, Dr. Greene. Good to see you again.

DR. GREENE: Good morning; thank you.

ASSEMBLYWOMAN CARIDE: I will tell you, I'm still reeling from all the numbers you gave me from the other day at our meeting. (laughter) But it was fascinating.

And listening to you here this morning, talking about the \$600 million; and that was put aside for the adjustment aid, and then it's been given -- I just want to make sure I understand correctly. That money has been given to the same districts, year in, year out?

DR. GREENE: Yes.

ASSEMBLYWOMAN CARIDE: Okay.

In your research, with all the numbers that we have gotten -- and God bless you for liking math and numbers -- have you come across a way of taking that \$600 million and redistributing that money where it would be fair, and it wouldn't put those districts in any kind of harm?

DR. GREENE: A specific answer, no. I assume, again, that's part of what hearings are going to be about, in the deliberations about how best to come up with solutions.

But I think the best point I heard about that is, we didn't get into this problem overnight, and we're probably not going to get out of it overnight. So I certainly think some phased approach, as has been suggested by some, makes some sense.

ASSEMBLYWOMAN CARIDE: Have you had an opportunity to-- Any theories on a phasing in, or some kind of phased approach? Because so far, the testimony that I've been listening to, and I have been hearing, and my colleagues here have been talking about -- have been saying is accurate. We can't vote on bills that reduce revenue or give revenue to other areas, and then try to resolve the school funding formula. And there are inadequacies in this formula. And while people are telling us that they've underfunded or overfunded and it needs to be tweaked, I'm wondering if there is any prospect or any theories that you, as a stakeholder, may have as a solution that we can look at?

DR. GREENE: I certainly think we'd like to be part of discussing some of those solutions, going forward. I would simply say that the data that we shared today, in terms of the disparate distribution that's

going on, I think examines the nature of the problem. As I said before, it's not a problem where we have many districts all around a central number. There are wide disparities. And so there's plenty of room, I think, for good solutions; and I think we would certainly like to work towards those.

ASSEMBLYWOMAN CARIDE: And last, I know that when we met, and we were talking about the differences in State aid being received by some towns and what their taxpayers were paying in taxes, we did discuss that 2 percent cap. So it would be very difficult, wouldn't it, based on that cap, to be able to get a municipality that is paying -- or has a less local tax share, to come up?

DR. GREENE: Sure. And it will be a greater problem for those that are further and further below that local fair share effort. So if you're at-- I mean, the State median is 96 percent, which is pretty close to 100; and if you're at 90 or 92, maybe you can catch up. But if you're at 70, or 50, or 40 -- that's going to be really hard to do with a 2 percent cap; absolutely.

ASSEMBLYWOMAN CARIDE: Thank you, Doctor.

MR. FLETCHER: If I may.

ASSEMBLYWOMAN CARIDE: Pat, please.

MR. FLETCHER: I'm going to take a lesson from the 7th grade PARCC exam (laughter); where students are presented with very complex problems, and they're asked to solve them. And what they are required to do is to break them down into smaller, manageable problems. And what we're suggesting, I believe, is that while we do have a very large problem, with big numbers being thrown around; we have the ability to break it down into smaller pieces to solve. We're suggesting that that \$600

million -- that revenue already exists; and that you can address that without raising a single tax. However, it would require, as Ken indicated, some method of phasing it out through one, and in through another. And I'm very confident that my colleagues, across the state, would have the ability -- if they knew what was coming -- to address it.

The next issue, then, is that you have a formula that is well-written, and it breaks down in particular areas. So if you are able to solve, for instance, the ELL problem, but it's underfunded, that would be helpful. And then to move onto the next, and to the next, and to the next. Because as we all know, if you're going to try to eat an elephant, you're going to eat it one bite at a time, not stuff the whole thing. And that's what I think we sometimes try to do, when these large numbers are thrown around. We're not going to solve it in one shot. But if we take a really balanced approach to it, I don't think there's any reason why it can't be solved.

ASSEMBLYWOMAN CARIDE: Thank you, Pat.

And please, my regards to your lovely wife.

MR. FLETCHER: I certainly will; thank you.

ASSEMBLYWOMAN JASEY: Thank you.

I think what you're saying is that we need a plan, right? Okay.

MR. FLETCHER: And I think you have a plan.

ASSEMBLYWOMAN JASEY: Well--

MR. FLETCHER: You have a pathway, anyway.

ASSEMBLYWOMAN JASEY: And the will to do it; okay.

Sharon, I asked you to come back up to see if you wanted to comment on some of what was being discussed, quickly; and then I want to move on.

MS. KRENGEL: Very quickly; thank you.

Yes, I just wanted to shed a little bit of light on some of these issues about the formula.

So starting with adjustment aid, which we do call *hold-harmless aid*-- And the reason why it was brought in -- in 2008 in the original piece of legislation, the SFRA -- is because-- You know, it's difficult in any state -- and in New Jersey, we've done this many times -- to go from a current formula -- even if it's flat-funded or underfunded, as formulas have been in New Jersey for decades -- to a new formula. And the idea the Governor and the legislators had was to hold districts harmless so that they didn't feel that they were falling off a cliff in the 2008-2009 school year. And that's the adjustment aid. And it was brought in at the same time as the formula. And it was supposed to phase out over years; that money was actually supposed to fall into, let's say, the formula.

The problem is, that not only have we underfunded the formula over all these years, but we really haven't implemented it. So changes that were supposed to happen, didn't happen. And that's why we find ourselves in this position.

And there is absolutely an argument to be made for the fact that the time has come to move some of that adjustment aid around. One caution: Adjustment aid goes to districts that are both above adequacy and under adequacy. And just briefly, adequacy is the level that the SFRA determines, you know, based on serious calculations about what students need to have, in terms of resources, to reach the curriculum standards that we have here in New Jersey. So adequacy -- there's an adequacy budget for every single district; it's determined by the formula. And it says, "This is

what you need to spend in this district, and that district, and the other district.”

If you are above adequacy, then you’re spending more than what the formula says. But as the superintendents have said, in some communities they have made that decision to spend more, and that is their local decision.

In other districts, they are below adequacy; and some districts are well below adequacy. And there are more under adequacy or below adequacy districts, since we don’t fund the formula. And they are not spending what the formula requires to bring their kids, their students, to where they need to be. And some of those districts will tell you they don’t feel like they are able to provide a thorough and efficient education for students.

So I bring that up just to say that both sorts of districts get adjustment aid. The idea of taking adjustment aid away -- you know, gradually, so that, as the Superintendent said, nobody falls off a cliff now -- the idea of taking adjustment aid away from over adequacy districts -- that, I think, makes sense to everybody.

We want to be careful about taking it away from under adequacy districts; they will fall further below adequacy. And I think the goal of everybody in the Legislature is to try to bring all districts to adequacy. That’s where they belong. So that’s an important thing to remember.

And then, just real briefly -- the local fair share is determined by the formula, and State aid is determined by the formula. And those two numbers together should be leading districts to adequacy. So all that is

within the formula; and again, we don't implement the formula. If we had implemented it, then we would be humming along at a place where districts would be, more or less, where they should be.

And everybody who brought up the 2 percent cap, too -- there are districts that are well below their local fair share, and some of them are going to the 2 percent cap every single year. They're doing what they're supposed to do, by law, but they can't-- You know, that jump is small. So they can't come all the way up to where they belong.

So I just wanted to provide some of those clarifications.

ASSEMBLYWOMAN JASEY: Thank you. I think we all appreciate that.

I would like to move on, at this point.

SENATOR RICE: I have a question for Sharon.

ASSEMBLYWOMAN JASEY: Oh.

SENATOR RICE: See, that's the only reason she came back -- is because I have a quick question for her.

ASSEMBLYWOMAN JASEY: Hold on; Senator Rice has a question.

MS. KRENGEL: Okay.

SENATOR RICE: You had mentioned, earlier, in your testimony, that one of the problems with the formula -- the way the Governor has it -- is that if, in fact-- I think the districts -- that if he cuts funding -- let me see how my question -- use funding to educate the-- The districts can't use the funding to educate the children anyway, even if he cut and severed it. Just for the record -- could you indicate, on the record, why that is so?

MS. KRENGEL: So, you know, we don't know this for certain. The Governor has talked about -- you know, in town hall meetings, and in the press, and in other places -- about his formula proposal. We don't know exactly what he wants to propose; we certainly don't know if, or what, he wants to propose in the Fiscal Year 2018 budget. We don't have any information about that.

But what we have heard from the Governor is that his intention -- by providing the same amount of State aid to every student in the state, regardless of need -- is-- What that will do is that districts -- the wealthier districts in New Jersey that don't receive very much State aid, their State aid numbers will jump. What the Governor has said is that he doesn't expect that money to go into the classroom; he would like that money returned to taxpayers for tax relief in those communities. So we're talking about wealthy communities receiving tax relief. So that's what we know so far.

ASSEMBLYWOMAN JASEY: Thank you.

MS. KRENGEL: Thank you.

ASSEMBLYWOMAN JASEY: Next up we'd like to hear from Michael Vrancik, Government Relations Director of New Jersey School Boards; and Patricia White -- would you like to join him up here so we that we can move along?

And while you're coming up, I would -- I neglected to mention that we did invite the DOE; and received a letter saying that, "Acting Commissioner Harrington was unable to come due to a conflict. The Department remains dedicated to providing funding for school districts in a manner that fulfills the State's constitutional obligation to provide a

thorough and efficient system of education to all students in the state. We look forward to continued dialogue around this important subject following the Governor's February 2017 budget message."

Thank you.

**M I C H A E L V R A N C I K:** Good morning, almost afternoon, members of the Committee.

My name is Mike Vrancik; I work at the New Jersey School Boards Association.

You have my prepared testimony. I want to highlight and underscore some things that have already been said, and perhaps clarify some things in addition.

I guess it's important to talk about the SFRA in the context of school aid, going back almost to the Quality Education Act. The SFRA, in many respects, is the culmination of some principles that were built into the QEA, continued in SEFA, and finally, resolved in a way that everybody liked in the School Funding Reform Act, with a couple of caveats.

The State budgets school aid based on a calculation -- a *foundation amount*, as the QEA referred to it. In the current formula, it's *equalization aid*. They build a budget based on the characteristics of each of the students in the district, attaching various weights to those students based on their educational needs. And that number represents the amount that's required to provide an adequate education for that student.

That's an important designation. Because the adequacy amount tends to be, historically, probably about \$2,000, or thereabouts, less -- maybe a little more -- than what the average per-pupil spending has been in this State. The SFRA was never designed to provide everything

under the sun; it was meant to provide what was deemed an *adequate education* -- arguably, the low end of the spectrum.

That being said, the calculation then takes the amount of money that local districts individually can afford to spend -- based on a measure of their property wealth and income -- and subtracts that from the adequacy budget for that district. So the amount of State aid you get is proportional, based on your ability to pay. But once again, the adequacy amount is a set number. The State is going to aid you to that adequacy amount. If you're a wealthier district and you choose to spend above that, that amount is all built into your property tax base, because you've made a decision to sustain programs, that you had before this formula was concocted, that you want to keep and you're willing to pay for, and you can afford to pay for. So it creates a lot of confusion; there's a lot of moving parts in the formula.

When the formula was first put in place in 2008 and 2009, there was a period of about seven years where the State aid had been frozen to districts. That being said, the enrollment levels, in various districts, changed constantly over that period. So when this SFRA was going to be implemented, there was a realization that if they used a base calculation in the formula, some districts had lost enrollment from the last time the aid was calculated in 2001, under the previous iteration of a formula -- hence, there would be less money for certain districts.

So the legislature decided to provide, at a base, the same amount that districts had gotten in the previous year. So that being said, the SFRA was based on an assumption that districts were going to get

money, finally, for students who had moved into their towns, subsequent to the last time aid was calculated in any kind of formulaic way.

Because they needed to carve out a portion of money -- adjustment aid, or hold-harmless aid -- they instituted an enrollment cap in the first year of the formula. Districts were supposed to get additional money for students, because they had more kids now than they did then, in those instances where enrollment grew. They limited that -- enrollment increase -- that districts were supposed to get in the formula in the first year -- to 20 percent; with the idea that, over time, the hold-harmless aid would decline in some fashion, and the actual money that districts were going to get for new students was going to grow. So that at some point, the formula would be funded in a way that everybody got 100 percent of what they needed, based on what their local fair share should be.

So in the next year, we had the economic downturn; and the State was forced -- because they had no other choice -- to reduce the levels of funding. And they severely limited the enrollment cap, and they've not changed it since then.

So within the formula, there's this sense that there are districts that have more students than they're getting money for, based on the fact that their enrollment cap is frozen from 2009.

That being said, a year-and-a-half after the SFRA was implemented, the State implemented the 2 percent levy cap. The SFRA never really considered the idea that we were going to cap local spending; so that creates a problem.

In addition -- one last point, and I'll finish -- is there were, historically, programs called *categorical programs*, that were funded without

respect to your local ability to pay. Special education, in the new formula, was partly wealth-equalized. So one of the biggest costs to a lot of -- especially suburban districts -- is now also based on an ability to pay, which creates a bigger problem because of the 2 percent levy cap.

And that's it; that's what I have to say. (laughter)

Thank you.

ASSEMBLYWOMAN JASEY: Thank you.

I know it's complicated, but I--

MR. VRANCIK: It is very complicated.

ASSEMBLYWOMAN JASEY: It's very complicated. And I think the more we hear it, and the more we discuss it, the better able we'll be to work on solutions, or answers, or a plan. (laughter)

All right.

Deb.

**DEBRA BRADLEY, Esq.:** Good morning, everyone.

I'm Debra Bradley, representing the New Jersey Principals and Supervisors Association.

We represent members in all types of school districts -- former Abbotts, rim districts, middle-income districts, and higher-wealth communities. So as a result, we support a funding formula and a State budget that will meet the needs of all students, no matter where they live or what educational needs they bring to the schoolhouse door.

And I am happy to be up here with Mike, because I consider Mike to be one of the experts in New Jersey on this. So I don't have to go through the whole section, talking about the components he just talked about, in terms of funding fairness.

So what I do, instead, with my time is to talk to you about the perspective of school building-based leaders -- principals, and vice principals, and supervisors -- and what the funding formula means to them.

As building leaders, we understand, firsthand, the critical importance of school funding, because it's the foundational element for the quality and breadth of programs and services we can provide our students. Funding impacts everything that we do, from the attraction and retention of high-quality staff, to the breadth of our curriculum, to the size of our classes, to the health and wellness options we can offer students; and even to the array of extracurricular activities that we offer students, which often serve as a unique learning setting for students, as well as a reason to stay in school.

So we understand that funding has to be based upon the unique needs of the students we serve. Students who arrive at school not speaking our language, who live in poverty, and who bring learning disabilities to our doors -- all have unique needs that must be funded and resources that must be provided to meet their needs.

And fortunately, as Mike just described, our funding formula recognizes that fact, and was designed that way. We have a weighted student enrollment formula, where we have a base cost per pupil that we have determined, through the use of -- way back when, we set up professional judgment panels of educators, as well as experts, to come up with what that basic funding amount should be. And then we added weights to address the needs of limited English proficient students, special needs students, and students in poverty.

So that weighted student enrollment piece is a core component to our members, because it really shows us that the formula is set up based on student need, not other pieces.

The adequacy formula -- adequacy budgets that have already been addressed -- is the State-determined budget level for each district to provide the constitutionally mandated core curriculum program for all students in that district.

So those pieces, as well as the adjustment aid piece, are really the core components of the formula. Adjustment aid was meant to be a temporary transition piece; I mean, it was a five-year phase-out of that aid so that districts that were spending above adequacy would not experience a big drop in their funding level; that they could plan it out -- how to move out to that formula.

But because we have not run the formula, none of these things have happened. And districts have been frozen in time, based upon where they were: above, below, or at adequacy.

So in terms of the questions you asked us -- what has been the impact of this? Well, the School Funding Reform Act, essentially, has been ignored and underfunded. It has only been funded in the first year following its enactment; and as a result, districts have essentially been flat-funded since that time.

What has this meant? Demographic changes, enrollment changes have not been recognized by the formula. Some districts are perceived as *underfunded*, some as *overfunded*; and that's heading to a rising sense of unfairness among districts.

What's been the impact? We haven't addressed rising costs in school budgets. We've continued to pass mandates on schools; those have not been addressed through funding. Changes in student need have not been addressed. And as I said, this has led to not only a sense of -- a feeling of unfairness among districts, but also an undue burden on local taxpayers. Taxpayers have been forced to shoulder the burden of rising costs in education at the local level, within the confines of the tax levy cap -- the 2 percent cap that we're talking about.

What has this led to in districts that have been unable to raise taxes to keep the quality of their programs? It's resulted in a narrowing of the curriculum, reduction in programs, reduction in staff -- particularly in low-wealth communities that haven't been able to up their spending.

In about 200 districts, local taxpayers have raised taxes to maintain their programs. So we've caused those communities to either question the quality of their educational program, or to impact the economic lives of their citizens. So that's our Catch-22.

You asked if this practice continues, what would be the result? Well, we see, at the school level, a whittling away of school quality. We see, potentially, a whittling away of our curriculum at a time when our world economy demands the best preparation of our students for college and career. We see restriction in our ability, as a system of public education, to attract the best and brightest to come and work in our schools. We see a retraction, not expansion, of research-proven programs, like full-day kindergarten, early childhood programs -- all of those pieces; that schools that planned to move to a full-day kindergarten were unable to do so because of the funding system.

Our recommendations are simply this: Let's run the formula; let's figure out a way to get there. If we have to phase it in, prorate it -- whatever. Let's look at the tax levy cap and look at areas where we might need restrictions.

Thank you.

ASSEMBLYWOMAN JASEY: Thank you.

Members?

Yes.

ASSEMBLYMAN CAPUTO: First, I appreciate both of you -- your testimony.

I want to get back to that part where local districts have compensated by raising taxes. But with the 2 percent cap, how far can they really go?

MR. VRANCIK: I guess this whole discussion predates the implementation of SFRA.

ASSEMBLYMAN CAPUTO: Okay.

MR. VRANCIK: If districts were already spending \$13,000, or \$14,000, or \$15,000 per pupil--

ASSEMBLYMAN CAPUTO: Okay.

MR. VRANCIK: --from the inception of SFRA, they've been able to continue to make those payments. In many instances, they've seen an enrollment increase. So the amount of their local effort has been diluted by the fact that they have more kids than they had when they started--

ASSEMBLYMAN CAPUTO: Right.

MR. VRANCIK: --but the State hasn't caught up with giving them the additional money. But the baseline is that they had that spending level prior to the implementation of the 2 percent levy cap.

ASSEMBLYMAN CAPUTO: Yes, but after the implementation, and they've gone beyond -- they've increased their taxes, correct?

MR. VRANCIK: They've increased their taxes up to cap; but what that's--

ASSEMBLYMAN CAPUTO: Up to cap.

MR. VRANCIK: --done is created pressure in a lot of -- especially the suburban communities -- to find cost efficiencies, as some of the previous speakers said. I mean, we have problems across the board. Urban districts still, in many instances, as previous speakers said, are spending below adequacy because they're not where they need to be, based on the characteristics of the student population. But in suburban communities as well, because of limits imposed by the cap, in the formula, and enrollment growth that's not compensated, they're also -- their backs are pretty much to the wall now.

ASSEMBLYMAN CAPUTO: That's why it's very dangerous to pit district against district.

MR. VRANCIK: Correct.

ASSEMBLYMAN CAPUTO: Because if you get so provincial about the needs in your district, you can't see, or have empathy for, what an administrator, or teachers, or kids are going through in the next district, and the actual amount of funding that's needed there.

MR. VRANCIK: Right.

ASSEMBLYMAN CAPUTO: So this whole polarization is unhealthy, in terms of what we have to do in terms of funding -- increased funding -- because the proper funding would help cure a lot of the problems. But the fact is, that we're not funding it at the proper level; and at this point, it looks like we're turning suburban versus urban, or urban versus suburban -- whatever -- because of the need of these resources that are not there. And that's, to me, very disturbing. Because as an educator, that bothers me -- as a former educator, and as a citizen, as a grandfather, whatever. It's very upsetting to see that happen.

I don't think it's happened for a long time; but this seems to be reaching a point of frustration, at this point, with all this talk about leveling the State aid in every district, etc. And if that money is going to go for tax relief, it's not going to cure your problem; because it's not adding any revenue in terms of those local districts.

MR. VRANCIK: In fact, the plan, as I understand it, if it was to be implemented, would change the mix. In suburban districts, they'd get a windfall of money that would go to sustain their current program. It would reduce their levy. In subsequent years, assuming no change to the cap law -- because their levy would be so much reduced--

ASSEMBLYMAN CAPUTO: Right.

MR. VRANCIK: --2 percent of that lower number would yield an even more difficult problem for them to address, whatever their emergent issues are in their district.

ASSEMBLYMAN CAPUTO: I understand.

MR. VRANCIK: So it's-- This thing is multi-faceted; and there are a lot of components to it. But the problem goes back to when the law

was designed to allow poor districts to catch up with the high-spending districts--

ASSEMBLYMAN CAPUTO: Right.

MR. VRANCIK: --to achieve parity. At some point, when we developed the SFRA methodology, we said, "If districts want to spend above the adequacy amount, they can. But we're not going to give them any State aid for it."

ASSEMBLYMAN CAPUTO: Right.

MR. VRANCIK: So the 2 percent levy cap sort of limited the ability to continue to move up. And now, with enrollment changes that aren't compensated, everybody is feeling a lot of pressure.

ASSEMBLYMAN CAPUTO: Thank you.

ASSEMBLYWOMAN JASEY: Thank you for that clarification, Mike.

ASSEMBLYWOMAN DeCROCE: Just, quickly.

ASSEMBLYWOMAN JASEY: Yes, quickly.

ASSEMBLYWOMAN DeCROCE: Just one quick question.

And when we're talking about disparity and what a student -- per-pupil, as you heard me say earlier. And I'm just going to go back to that again, just because I think it's something that everyone needs to understand when we're talking about suburban communities as well.

Parsippany, again, \$678 per pupil; Asbury Park, \$24,258 per pupil. What's causing that disparity? Why is it so much money there; and how did that happen? Because the graduation level in Asbury Park is atrocious, on top of it.

MR. VRANCIK: That's a difficult question to answer without being really complicated.

But the simple version of the answer is, the way the formula is designed, you have a calculation that says you come up with a per-pupil adequacy amount for each student. And then you add to that number weights for English language learners, special needs, at-risk. And so the per-pupil adequacy amount in some poorer districts may be twice as much as the amount in some of the suburban districts where they don't have a lot of additional weighting factors.

So when you calculate the adequacy budget in Asbury Park, it's not the same as the adequacy budget in Parsippany.

ASSEMBLYMAN CAPUTO: Right.

MR. VRANCIK: When you add into that the local fair share calculation -- Parsippany is a much wealthier town than Asbury Park, hence Asbury Park's going to get a lot more State aid than Parsippany is. I'm not saying it's fair, necessarily; I'm saying that's the way the formula works.

So it creates a complicated picture. And what you need to know is almost the per-pupil calculation for each student in Asbury, and compare that to the per-pupil calculation in Parsippany; and then factor in the local fair share. That's what really drives the way this calculation works.

ASSEMBLYWOMAN DeCROCE: Right; I understand that.

But you're talking about double; I mean, that's more than double, let's face it. That's, like, a thousand times, or 2,000 times greater (*sic*). And you know, you talk about that; you talk about the ability to afford it in a township like Parsippany in Morris County. But let's take a look at the foreclosure rate in the township of Parsippany, and in Morris

County, and what's going on. Because people cannot afford to live there anymore.

MR. VRANCIK: People can't afford to live there; I get it.

ASSEMBLYWOMAN DeCROCE: And the foreclosure rate is extensive. So, you know, this is a problem for all of us to look at, and we all have concerns for everybody. And it's unfair to everyone -- what's going on.

MR. VRANCIK: Ironically, decisions about where one wants to live are made on the quality of the school system, in large part; but also, whether or not you can afford to live in that town, at this point. I get it.

ASSEMBLYWOMAN DeCROCE: Well, that's what I said earlier.

MR. VRANCIK: I get it.

ASSEMBLYWOMAN DeCROCE: I said we talk about Mount Laurel, we talk about disparity, we talk about where somebody wants to live. And the way we're doing it, we're not allowing that. And it's all-- The root of it is, really, through the school process.

MR. VRANCIK: But--

ASSEMBLYWOMAN DeCROCE: So that's what we need to look at.

MR. VRANCIK: But part of it is -- and I say in my testimony -- the School Boards Association is driven by members' decisions. And our policy -- which I have basically transcribed here -- suggests that the State share of public education should be 50 percent; not at the district level, but in total. Right now, the State spends about 36 or 37 percent. So imagine if the State could afford to inject that much money; I think that would solve a lot of these issues. The problem is, the State historically--

ASSEMBLYWOMAN DeCROCE: I understand.

MR. VRANCIK: --hasn't been able to afford that.

ASSEMBLYWOMAN DeCROCE: I understand, Mike.

Thank you.

ASSEMBLYWOMAN JASEY: Thank you; thank you both.

Next up, Rick Pressler, Director of School Services for New Jersey Charter Schools Association; and Paula White, New Jersey State Director of Democrats for Education Reform New Jersey.

And they will be followed by John Abeigon and Donna Chiera.

Rick, you have the floor.

**RICHARD PRESSLER:** Thank you.

Good afternoon, members of the Committee.

My name is Rick Pressler; I'm the Director of School Services for the New Jersey Charter Schools Association; also a charter school founder, and parent, and former school leader, and a member of the Roosevelt, New Jersey, Board of Education. So I have the dubious pleasure of experiencing school budgets at both the district and charter level.

And I think I have to second with what has been said many times here -- which is, that we need solutions that work for everyone. A system of winners and losers is a system in which we all lose. And so we heartily endorse a lot of the suggestions we've heard today; I think the most significant of which is that we have find a way to fully fund the formula.

I remember back in 2008, when this was put together, a lot of work went into it. I was in graduate school at the time, and some of my classmates were actually mathematicians who were working on it. And I

don't know that we want to replicate that effort until we've given this thing the fair opportunity that it deserves.

It's important to understand who charter schools serve. We serve a predominantly urban, disadvantaged group of students; about 70 percent of our kids receive free or reduced lunch. More than 90 percent of them reside in former Abbott districts.

So all of the things that affect district per-pupil funding have a ripple effect on charter schools. It was set up, years ago, in the statute, that charters were to receive 90 percent of that per-pupil amount. It turns out, because of this patchwork of funding -- which constitutes urban school funding -- they receive anywhere from 50 percent to 90 percent. So there are some schools receiving their full 90 percent portion; there are others that actually receive less than half.

So in a city like Jersey City -- where we know there are substantial needs -- I can imagine what those Board of Education members go through as they balance their budgets. And then to think that those charter school boards, then, take half that amount of money and need to do the same thing. It's a very daunting task.

Charter schools are important because they provide an accessible option for students who have traditionally not been afforded options. We've been talking about how wealthier folks in New Jersey can move to a better school district. That's what my folks did when they left urban New Jersey and went to East Brunswick, many years ago. But that's not an option for everyone. And so we need to make sure that within our urban centers -- where people don't have mobility that some of their wealthier peers might have -- that there are these options.

And charter schools -- the demand for them has been unabated. The growth of charter schools is a reflection of the demand. There are thousands and thousands of families on waiting lists for charter schools throughout the state.

I have a lot of detail and some examples; I think I'll leave that to the written testimony. I have a lot of examples of how districts and charters are collaborating now. We see a growing number of special education students in charter schools. For example, in Newark, the number has doubled, from 5 to 10 percent, from 2009 to 2015. There is a lot going on in charter schools right now; we have a lot of data, and a lot of information to look at that tells us that they are being successful, that they are providing an option that is desperately in need.

However, school funding can't have winners and losers. And many charter students (*sic*) really see this firsthand; they have kids -- both in district schools and in charter schools -- and they see the disparity in funding that goes on between those different places. We need to make sure that all our students have the funding, and their schools have the funding, that they need to succeed.

I'm going to skip to the end here.

So the Committee has a daunting challenge, which is to rethink how we're going to get to funding a formula that's never been fully supported. Charter schools have proven themselves as a way to reach our historically underserved communities. They've applied their practices that we now found replicated throughout school districts. But we'll succeed only in our efforts if we come together around what's best for children; if we allow all the voices to be heard.

Charter schools may only educate 3 percent of the students in this state; but in many communities, they are a much larger portion. It's impossible to imagine a comprehensive funding solution that doesn't include the voices of charter schools, as well as all of the districts.

And I respectfully urge you to include those voices in your deliberations. I think that it's part of this larger picture of public education, and we need to take this all in as we try to come up with solutions.

So thank you very much.

ASSEMBLYMAN CAPUTO: Aside from the other issues about charter versus regular public schools, how do you feel about the proposed changes in certification, as it affects charter schools? Why do you feel that's a valuable tool?

MR. PRESSLER: Well, I think we have a challenge in charter schools; we have a lot less money to pay teachers. But I think we also have a level of accountability that demands that we have the best teachers possible. And I think that what any charter school leaders has to do is find the best possible candidates, and get them into the classroom, and get those results that will produce the right student outcomes. And they need as much latitude as possible to do that.

We hold them accountable for student results in a way that we do not hold districts accountable. And so the feeling, I believe, is -- let them make the decisions about who best will meet their needs; let them provide the professional development to make sure people are up to par; and then hold them accountable for the results. And that's ultimately--

ASSEMBLYMAN CAPUTO: Do they have any intention of getting fully certified as administrators or public school teachers? Do they have any intention, or is this just a complete waiver?

MR. PRESSLER: No, the system is very, very circumscribed. It's, first of all, only allowable to those top-performing charter schools with a proven record -- the Tier 1 schools. Only they can take advantage of this. And they must apply to the Department of Education and get permission to do it. So it is a very limited pilot program; I think it's scheduled for five years, initially. So it's a bit of an experiment, but that's why we have charter schools. We want to be able to experiment like this.

ASSEMBLYMAN CAPUTO: Well, what's wrong with getting fully certified?

MR. PRESSLER: Oh, there's nothing wrong with it; and I believe that most charter schools will continue to hire only traditionally certified teachers. But I remember, years ago, when the alternative route came up. And many of the same arguments were put forward -- that this would dilute the quality of teachers; that this would undermine certification.

ASSEMBLYMAN CAPUTO: It was a different set of circumstances completely.

MR. PRESSLER: Agreed; but I think it's a similar notion that we are trying to expand opportunity. And we need to make sure that we have appropriate standards and accountabilities in place.

ASSEMBLYMAN CAPUTO: Thank you.

ASSEMBLYWOMAN JASEY: Okay.

This is a topic that we definitely need to explore. But given the fact that we have six more people to present, who are invited, I'm going to ask members if you could hold that discussion-

ASSEMBLYMAN CAPUTO: I did hold it. (laughter)

ASSEMBLYWOMAN OLIVER: And I can't hold my question for him, before we move on.

ASSEMBLYWOMAN JASEY: All right.

Speaker Oliver.

ASSEMBLYWOMAN OLIVER: Yes.

You know, I don't buy into the whole public versus charter debate.

But what I want to present to you, as someone who represents that segment of public education-- You've heard the speakers before you discussing formulas, communities, taxation. How do you further divert public funds from districts that are funded below adequacy, that have a lot of challenges, that have a 2 percent cap? Each time there is charter expansion, that is additional money that's diverted from that local district. Through your eyes, how does a local community deal with that -- through your eyes?

MR. PRESSLER: Well, obviously, first of all, this is not really a diversion; this is a--

ASSEMBLYWOMAN JASEY: Is your mike on?

MR. PRESSLER: Oh, I'm sorry.

ASSEMBLYWOMAN OLIVER: Excuse me; we are diverting. Every time a charter opens in a community, that local board of education has to write a check, as required under the law. Which means that that

Superintendent -- when he or she is developing the budget -- they must discount the checks that they are writing to the local charters. If they're funded below adequacy already, in your eyes, how do we address the issue of less dollars available to a district that potentially could, perhaps, already be funded below adequacy? What, what, what-- Give me the other side of the coin.

MR. PRESSLER: Well, I think, importantly, we need to make sure, first of all, that we're funding people at proper adequacy levels. So I think that's a precursor to any response to that.

I think the question that we have to ask -- and the question that the legislature asked years ago when it passed the charter school law -- was what's the most efficient and effective way to serve those students? Not serve the board of education, but serve the students who are served by that board of education.

ASSEMBLYWOMAN OLIVER: Yes; you know, we're not going to get anywhere. I'm going to, you know, cut off the discussion, in respect to the Chair.

But if you will go back -- the reason we created charter law was to create a laboratory experience to test out innovation in instructional methodology and curriculum, so that the lessons learned could then be replicated in public systems that are challenged. That's the reason why, in the Whitman Administration, charter was created.

I'm sure we will have a subsequent hearing; because the challenge here, when we get to that subject, is we are taking money out of local budgets. And those districts, then, have \$1 million less, \$5 million less, \$40 million less. It has nothing to do, nor should this debate center

around, waiting lists, choice-- It's about money; it's math. Let's go get the NASA mathematicians; it's about counting the Benjamins.

MR. PRESSLER: Yes.

ASSEMBLYWOMAN OLIVER: That's what this issue is about.

MR. PRESSLER: And I absolutely do hear that concern, and I look forward to having an opportunity to have that conversation. I think it is, absolutely, an essential part of fixing this problem of school funding.

So thank you for bringing that up.

ASSEMBLYWOMAN OLIVER: Thank you.

ASSEMBLYWOMAN JASEY: Thank you, Speaker; thank you, Rick.

Paula.

**P A U L A L. W H I T E:** Good afternoon to everyone; to the Honorable Ron Rice; and to you, Assemblywoman Jasey; and to everyone here, members of this Joint Committee on Public Schools.

So I'm really appreciative of the opportunity to be able to address you this morning.

I am Paula L. White; I'm the New Jersey State Director for Democrats for Education Reform, or DFER.

And as a founder of a public charter school in Newark's South Ward, I grappled with the issue of leveraging my school's budget to reap the most benefit for our school's scholars. And as the former head of School Turnaround and Improvement in the traditional public schools for the entire State of New Jersey, I directed of team of over 70 employees who supported both traditional district leaders and traditional public school

principals, each year, as they made tough decisions about where to spend their funds in order to educate students well, given the varied student profiles and needs that existed in their schools.

Since the legislature passed the School Funding Reform Act in 2008, many changes have occurred in our schools; but school funding has not kept pace with those changes. And my knowledge and experience has revealed that regardless of the public school setting, this has resulted in adequate funding becoming a very real problem in many our schools. And the fiscal juggling act that school district leaders, lead persons at charter schools, and others must engage in really detracts from the core of their most important work, which is to serve and educate children.

And the School Funding Formula, as it now stands, is nuanced in its approach to funding various kinds of public schools: vocational and technical schools, inter-district choice schools, public charter schools, and traditional district schools. However, while the enrollment calculations and funding processes may differ somewhat, there is no question that each school deserves to be funded in a manner that is equitable and just, to serve the student population in place.

And the consequence of not fully funding the formula and/or not correcting the flaws in the formula, is really quite simple. And that boils down to short-changing students. And it is true that there are decisions in schools -- very important decisions -- that are budget-neutral. Those decisions, actually, do exist. But the fact of the matter is, is that educators need resources in order to be effective. And the State's share of school funding -- particularly in our most cash-strapped districts with the

most depleted tax bases -- the State's share of school funding is really a crucial part of the funding equation.

And the reality is also that flat-funding, that does not account for demographic shifts, is problematic for some types of public schools, just as funding that does not make provision for facilities -- as happens at charter schools -- is also problematic for other schools. The impact of these and other issues are really felt on the ground, and are best understood by those who have direct experience with fiscal challenges in schools or deep knowledge derived from careful study, as well as access to well-documented facts.

Democrats for Education Reform has worked, within our state and nationally, to address the issues that impede students success. And we really value the opportunity to serve as a knowledgeable resource for this Committee in pursuit of our mission to be the champions for all public school children in the state, regardless of their demographic profile or the type of public school that they attend.

Our organization recognizes that children are not best served by a one-dimensional perspective on funding. They deserve varied, informed stakeholders at the table, advocating on their behalf, so that more of their voices will be heard and so that none of their voices will be silenced.

In many instances, children in one household attend different public schools and/or different types of public schools. Their parents want to make sure that the dollars needed to educate each of their children will follow them wherever they go and make it into their public school classrooms. These families do not want to be penalized for exercising public

school choice, and we concur that any such penalty would be inappropriate and unjust.

I look forward to having further conversations with this group, and to seeing a wide array of stakeholders present and substantively involved in your deliberation, as our State continues to wrestle with this issue.

Thanks so much.

ASSEMBLYWOMAN JASEY: Thank you.

Senator Rice.

SENATOR RICE: Yes; first of all, it's good to hear you say that we need to run the formula, because that seems to be the consensus of most people speaking today. That's number one.

Number two, for some reason -- well, I know why -- when we talk about charter schools, we get the impression -- and we don't want the public to get that -- that legislators are anti-charters. Never have been. When the first charter school started 20 years -- or whenever it was -- I was here. We questioned what we're talking about today, "Where's the money?" The formula was set up for the money to follow the child; we understand that. But there comes a point in time when the money is going *this* way, and nothing is coming in *this* side.

And as a result of that, what happened was your national network folks -- and that's who most people in charter really represent -- who run the organizations -- and that's the KIPPs and Uncommons -- they benefit from the politics of our money.

So when you want to talk about charter schools -- Newark is always in the forefront of it, because we were a target city to build the most

for the “movement.” But prior to the *KIPPs* and all of them, you had the *Marion P. Thomases* and others -- who, initially, weren’t even charters; they were schools. And when you look at the *Thomases*, the *Lady Liberties*, the *Grays*, *Discoveries*, etc. -- they are not doing that well. I don’t care what anyone says; they are not doing that well. But they stay in the network -- with the charter network -- so it can look like an expanded network, when everything is really going to KIPP and Uncommon.

And there are schools that are doing pretty good, as Choice schools. Most of them are not doing that well. Financially, they’re not doing well. Some should have been closed, but we keep them in the network so we can say we have charter. Then when the Governor or someone feels the pressure coming in from parents, and educators, and groups, etc., they will close one of those down, not one of the others.

And so, the whole notion of a moratorium was one that -- first of all, that I didn’t appreciate, because charter school people marched on the Assemblywoman and beat her up, when it was my Bill long before she got here. And the idea of a moratorium is, before you build a system the way it was, is to make sure we could afford the system -- which, as the Speaker said, was supposed to be an experiment in the first place.

No one listened to me. We still haven’t put codified-- We did it by regulations, a process. The only reason they did it by regulation is because they didn’t want my bills to pass; they said *A* comes before *B*.

The point I’m getting to is that, this is all relevant to the formula. If we’re going to strike a formula, there has to be a charter school discussion. But the charter school network has to settle down and stop

saying “They’re working with us,” when in fact, in some areas, you aren’t. We have to have that discussion about slowing this process down.

Now, I recognize the movement has pretty much accomplished what they wanted to accomplish, in terms of the expanded enrollments and the number of charter schools in New Jersey. So they pretty much are ready to move on now. But the point is, is that the moratorium said -- it didn’t say “stop charters.” What it said was to slow the process down; let us look at these numbers to figure out how to pay for this stuff, how to make sure you’re not underfunded, and others aren’t getting hurt.

But you have been opposed to a moratorium because of “KIPP” and some other folks out there. Believe me, there are other schools that would love to see a moratorium, because it would give them a chance to grow and get their act together. They’re just not part of those systems.

And so there are no voices excluded, and there need not be any voices excluded from this Committee or any Committee. And we should be on the same page.

And you don’t have to respond to it; but that’s why I said I’m glad you said, “We need to run the formula.” But we also need to say, “Hold it. Slow these applications down; look at every charter school,” because you know who they are; they are not doing well at all. And let’s talk about how do we fix them, because it’s going to take our money to fix them, because you’re quasi-public.

That’s all I want you to take back to your network, okay? We’re not anti- here. But we have to run this formula; and we can’t do the formula at the exclusion of charter schools that are in right now -- I’m not talking about ones that aren’t here -- and we can’t do it without your

participation; because then we'll keep having this one-side-of-the-school-system-versus-the-other-side-of-the-school-system fight. We need to get away from that, okay?

So I just wanted to say that, Madam Chair-- Oh, the Chair is gone?

ASSEMBLYWOMAN OLIVER: Yes, I have the--

SENATOR RICE: So Speaker--

ASSEMBLYWOMAN OLIVER: Yes.

Ms. White, I don't have familiarity with the organization, Democrats for Education Reform New Jersey. Can you describe to me the organizational structure? Is it a 501(c)(3)? What is the governance structure of Democrats for Education Reform New Jersey, and how is it funded, and does it have a geographical location in New Jersey?

MS. WHITE: Well, first, let me say that I would be happy to share, you know, information with you -- more detailed information that would probably be best served outside of this forum.

ASSEMBLYWOMAN OLIVER: You could, for the record--

MS. WHITE: But I will -- but I would like--

ASSEMBLYWOMAN OLIVER: You can, for the record, tell me if it's a 501(c)(3).

MS. WHITE: So yes, I can. And I will also -- I want to make sure that I am capturing the answers to your questions.

So you wanted to know about the governance structure. So there is a national--

ASSEMBLYWOMAN OLIVER: Is it a 501(c)(3), is the first thing I asked.

MS. WHITE: Yes, so there is a 501(c)(3).

ASSEMBLYWOMAN OLIVER: It's an IRS tax-exempt organization?

MS. WHITE: Yes, yes. I'm clear.

And so that is, in fact, the case. It is also true that we have a national--

ASSEMBLYWOMAN OLIVER: I asked *New Jersey*. So do you have a Board in New Jersey? Is there a-- Did you have to file articles of incorporation, is there a Board structure, do you have to have an annual meeting -- you know, as most nonprofits in New Jersey do. And how are you funded, and do you have a physical location, and a staff? The governance structure of this entity -- what is it?

MS. WHITE: Yes, so I began by explaining that there is, in fact, a national team. And then I was going to go on to say -- of which there are several different states within the organizations, of which New Jersey is one.

And there is an Advisory Board in place; we do have a brick-and-mortar location that I--

ASSEMBLYWOMAN OLIVER: Where is--

MS. WHITE: --work out of.

ASSEMBLYWOMAN OLIVER: Yes, where do you do work out of?

MS. WHITE: And so, it's in Newark, New Jersey. And so I want to make sure--

ASSEMBLYWOMAN OLIVER: You can't come before a legislative Committee and not want to describe who you are.

MS. WHITE: Yes.

ASSEMBLYWOMAN OLIVER: So you gave us this testimony--

MS. WHITE: Yes.

ASSEMBLYWOMAN OLIVER: --it has no address on it. It just says *Democrats for Education Reform New Jersey*.

MS. WHITE: So the address is--

ASSEMBLYWOMAN OLIVER: So I'm asking basic--

MS. WHITE: --60 Park Place--

ASSEMBLYWOMAN OLIVER: And you're the Executive Director, correct?

MS. WHITE: --17th floor, Newark, New Jersey 07102.

ASSEMBLYWOMAN OLIVER: I know the zips in Jersey; yes.

MS. WHITE: Well, I just wanted to make sure, because--

SENATOR RICE: That's KIPP.

MS. WHITE: --as you stated, that it is for the record.

But I also, you know-- And I do appreciate those questions. And I really feel that it's important to state -- when we talk about some of the funding issues that we're facing, that there are just a couple of things that I just wanted to mention. And one is that there are several structural issues that are not part of this--

ASSEMBLYWOMAN OLIVER: Excuse me, Ms. White.

I asked you questions about *Democrats for Education Reform New Jersey*.

MS. WHITE: Do you feel that they've been answered?

ASSEMBLYWOMAN OLIVER: I am asking-- No you're telling me about specific issues you now want to talk about, related to structural issues and funding.

I am specifically, simply, asking: Who is this organization, where is it located, how is it funded, does it have a governing body? That's all I am asking you.

MS. WHITE: Okay, okay. And so I will complete my answer to that question. But my understanding was that I was here to provide information about school funding.

So, actually, you are correct; that is what I wanted to talk about, because I thought that's why I was here. However--

SENATOR RICE: Excuse me, through the Chair.

Let me cut you off; I'm the Chair.

ASSEMBLYWOMAN OLIVER: Ms. White. (laughter)

MS. WHITE: Yes.

SENATOR RICE: The funding-- It is a funding question.

MS. WHITE: Sure.

SENATOR RICE: Because how you are funded has an impact-- How anyone here is funded has an impact on what we have to do. We have to know, is there a local share in funding? Yes, there is. They have to pay. We have to know how that happens. We have to know -- is there State share? Yes, there is. We have to know if the Federal government gets involved. If you come in as an organization, and you are taking our money, or you need our money, or we are giving you our money, we should be able to know what else you are receiving to make sure that's included in the

formula, so you don't get short-changed; or to make sure you're not getting windfalls by taking our money.

And so who you are, and what you represent, and your funding is relevant to this particular meeting. And so you are here to discuss the formula; that's a part of it.

So please, through the Chair, don't deviate. Answer the Assemblywoman's question, or say, "I won't answer that, at this point in time," and we'll be fine with that, for the record; and we'll dismiss you.

MS. WHITE: Yes, well, you know I'm happy to answer the question--

SENATOR RICE: Okay, then-- Excuse me, excuse me.

Then repeat the question, Assemblywoman.

ASSEMBLYWOMAN OLIVER: Yes, I will.

Most 501(c)(3)s, under the law, must have a Board of Trustees; they must have a President of the Board, a Treasurer of the Board. They must file an annual report with the State of New Jersey. And most nonprofits raise money in order to pay for their activities. I am asking you those questions.

So you answered that you are a 501(c)(3). Your testimony says that you are the State Director. So you have to have a boss, if you work for a 501(c)(3). So who do you report to, at 60 Park Place? Do you have monthly board meetings, do you have quarterly board meetings? And then, the other question I asked, how do you fund yourself?

These are legitimate questions for me to ask you, as a Legislator, when you come to present testimony to the Joint Committee on the Public Schools. I am not asking you anything that's inappropriate. Any

speaker who came here this morning -- I could ask them the same thing. But I know who the School Boards Association is; I know who the Garden State Coalition is. I know how they're funded; I know their governance structure. And I merely asked -- that I am unfamiliar with Democrats for Education Reform New Jersey, and I want to learn more about the entity.

MS. WHITE: Thank you. I'm just making notes to make sure that I capture the questions that you asked.

So I report to Kathleen Nugent Hughes who, at one point, sat in my role as the State Director for Democrats for Education Reform. And she is now the Chief of Staff of the organization, and she reports directly to the President.

ASSEMBLYWOMAN OLIVER: And the President is the President of the New Jersey Democrats for Education Reform?

MS. WHITE: No; President of the national organization.

ASSEMBLYWOMAN OLIVER: All right.

Okay, so there is no local governing board. It's a national organization that has opened up an office at 60 Park Place, is what you're telling me.

MS. WHITE: I am, and I'm also saying--

ASSEMBLYWOMAN OLIVER: Okay.

MS. WHITE: --that there is a Board, that there is an Advisory Board that's in place as well.

ASSEMBLYWOMAN OLIVER: All right; but I'm asking for the legal governance structure. So the legal governance structure is the national entity.

MS. WHITE: Yes.

ASSEMBLYWOMAN OLIVER: You have a local Advisory Board.

MS. WHITE: Yes.

ASSEMBLYWOMAN OLIVER: Okay. And so then how do you get funding to maintain the New Jersey Democrats for Education Reform?

MS. WHITE: Yes; that was the other note I made.

And so we, you know, get funding in much the same way that other organizations of our ilk do, which is that we get grants from various organizations, and we raise funds, you know, in very traditional means, where we reach out to the local funding community and some national funders in order to gain support for our work.

ASSEMBLYWOMAN OLIVER: Programmatically, since you are New Jersey -- programmatically, what is it you do in New Jersey?

MS. WHITE: So programmatically, I work in an advocacy role, really; and I think about folks in our party, the Democratic Party, who really embody the progressive principles that we think are mirrored in the idea of public school choice, right? And so the notion of progressive ideas is really about leveling the playing field, and really about ensuring access to opportunity for the least of these.

And so in keeping with that idea of progressive values, then I look to support, and to work with, and to educate those who are on that path and to get more folks to really think about what progressive principles translate to in public education. What does that look like for children who, by virtue of their financial means, do not have the same kind of public school choice that others do.

ASSEMBLYWOMAN OLIVER: Yes, you don't have to educate me on those issues. You don't; trust me. As the Senator said, he's been here 20 years. We've been doing this work for quite a long time.

But I was interested in knowing the governance structure of your New Jersey chapter; whether or not there was a local governing body and how you were funded.

So you have given me some insight into your organization. And I want you to understand that nothing has been queried here that is unusual or inappropriate. And perhaps you are new to this process; but as a legislator on this Committee, I have every right to ask you the things that I did. And I hope you were not offended by that; but it is appropriate in this building to pose those types of questions to people who come forward to provide testimony.

MS. WHITE: So I just want to respond by saying that I'm not in the least bit offended; and I also hope that I have not offended you. It was -- my comment about what my expectation was, was simply to tell you what my expectation was. It wasn't to suggest--

ASSEMBLYWOMAN OLIVER: I didn't ask you--

MS. WHITE: --it wasn't to suggest that my questions were inappropriate.

ASSEMBLYWOMAN OLIVER: Ms. White, let's cut this off.

I didn't ask you anything about expectations. I asked you some basic questions about the organizational and governance structure of Democrats for Education Reform. That's all I asked you.

MS. WHITE: Thank you.

ASSEMBLYWOMAN OLIVER: Thank you very much.

MS. WHITE: Thank you so much.

ASSEMBLYWOMAN JASEY: Thank you.

MS. WHITE: Are there any other questions?

ASSEMBLYWOMAN JASEY: Thank you.

ASSEMBLYWOMAN OLIVER: No.

ASSEMBLYWOMAN JASEY: John Abeigon and Donna Chiera, would you come up? And you'll be followed by Judy Savage and Tom Puryear.

J O H N M. A B E I G O N: Good morning; oh, good afternoon, by now.

ASSEMBLYWOMAN JASEY: Good afternoon. And we are trying to wind up by 1:00 p.m., so--

MR. ABEIGON: Yes.

ASSEMBLYWOMAN JASEY: Out of respect for my colleagues -- I appreciate the fact that they are still here.

MR. ABEIGON: All right.

ASSEMBLYWOMAN JASEY: All right; go ahead, John.

MR. ABEIGON: Oh, yes. Hi; thank you for inviting us.

ASSEMBLYWOMAN JASEY: Is your mike on?

MR. ABEIGON: I'm the President of the Newark Teachers Union. And just before I get into my three minutes there-- I used to teach, and I like to do things with the visual learners. And if you look at this business card, this is Manalapan; this is Mays Landing; and this would be Millburn. This is the 20 percent of Newark property that's non-taxed.

So I'll entertain fairness; and I really, truly appreciate equity in the conversation. And I feel the pain and suffering of Assemblywoman

DeCroce; because, you know, earlier in my career, as a parent, I had to make the decision to leave the town and the city that I love -- which is Newark -- to raise my daughter in a suburban environment because of her asthma.

So I had to make mathematical and budgetary decisions as to where I was going to live, and I wanted to live in a town where my tax money was being spent in a great school system. That school system was Maplewood, New Jersey.

The taxes killed me. I could never have the car that I wanted to have; I always had to drive a lesser car. But I knew that, at the end of the day, when I went to sell that property, my tax contribution would come back to me two- or three-times fold. So it was a conscious effort, and a decision that I made.

And I'll entertain this discussion; and I appreciate once again-- I appreciate the suffering of young couples that are trying to make it in a town like Parsippany, and the taxes are killing them. But I would hate for this discussion to become about tax relief, and not about children -- who the Governor is purporting for it to be.

So I'm going to go to my written statement.

Last Thursday, I had the unfortunate experience of having to visit several schools that were impacted by just the latest horrific shooting in Newark: one student dead, three more seriously injured.

I saw the staff at several schools come together to support the students and staff impacted, directly and indirectly, by this tragedy; a tragedy that happens too often.

Why am I bringing this up when we are here to talk about school funding? Last year, in their latest round of budget cuts, the District laid off several dozen guidance counselors, the very staff that are supposed to be here to help the students deal with these crises. This was the latest in a series of cuts that deeply impacted the ability of our students to cope with the horrible things that happen in our city, Parent Liaisons, cut; Attendance Counselors, Substance Abuse Coordinators. Our students rely on these coping mechanisms just to get through the day. But when it comes to budget freezes and budget cuts, those vital positions are the very first to go.

By the way, last year, in addition to \$275 million directly taken from the Newark Public Schools' budget to go to corporate charter schools, they received an additional \$30 million in hold-harmless aid. Why were the traditional public schools not able to tap into that resource? Where was \$30 million found to help the suffering of corporate charter schools in the City of Newark, in addition to the \$275 million that they received out of the traditional public school budget?

In addition, we have also seen dramatic layoffs in support -- like aides and clerks over the last few years. Many of these aides and clerks are Newark residents, and the parents of Newark students. You can't say you care about the kids, and not care about their parents.

As educators, we find ourselves responsible for so much more than just teaching our students; and every day we find ourselves with less staff and less resources to support our students through everything from crime, drugs, poverty, unemployment, and parental incarceration. I don't care how great a teacher you are, your students are not going to care about

long division when they are hungry, or scared that they may end up shot dead walking home from school.

And that is all on top of the ways budget cuts directly impact classroom instruction: overcrowded classrooms, not enough desks, not enough books, not enough training for the staff, schools having to go without substitutes for staff because they just aren't in the budget today.

Some people may say, "Well, staff should not be absent in the first place;" but many of those staff are getting sick or hurt on the job. Because of budget cuts, repairs and maintenance are not happening in many of our schools. Every day we get reports of mold, rodents, broken elevators, unplowed parking lots, and so on. And we are still unable to drink water in many of the schools, which are still dealing with Flint, Michigan, levels of lead in their water.

The Governor has announced a \$300 million overhaul of this State House for far less horrific conditions. But when it comes to schools, the State will cut the budget, and tell the students and staff they have to fend for themselves.

Newark schools have already been cut to the bone. Over the last several years, questionable budgetary priorities have stripped away vital resources and staff from our schools. Instead of fixing these skewed priorities, more budget cuts will only be taken out of the students and the staff that service our students; and that would be unconscionable.

Thank you for listening.

ASSEMBLYWOMAN JASEY: Thank you.

Donna.

**D O N N A C H I E R A:** I want to thank you; and I want to follow up on what John said.

I'm President of AFT New Jersey. For 33 years, I taught in Perth Amboy.

And we started this hearing out andt said, "this is about children." And I think as this went on, we realized we can't look at school funding in isolation. But when we look at school funding, we also can't look at that in isolation. The Governor's plan -- and I'm sure many of you are parents -- I was one of four daughters. My parents did not spend the same amount of money on each one of us. One of my sisters had eye problems; they spent more money on her.

So we need to look at the needs of children; but we also need to look at the needs of those communities.

The Governor was talking about opioids last week, and I give him credit for that. But when budget cuts come, substance abuse counselors are the first ones who are cut. Because those services, they deem not vital.

When we started a new evaluation system -- which was very good and very rigorous -- but guess what? -- it was so rigorous we had to hire more administrators.

We have cut filters for water pipes going into the Newark School System because that was seen as an excess amount. So now we're buying water in bottles.

You just can't look at these things in silos. Because if you're going to pass a substance abuse program, that means more services for students and for school systems. If you're going to pass higher evaluation

systems, that means more responsibilities for administrators. That means on a fixed budget, we're tearing it apart. And I'll tell you who is not getting it: The students in the classroom are not getting it. Because every time there is something else out there, it's instruction. Someone said, "I have a school system where there are 26 1st graders," and thought that was a high amount. (Laughter) I am telling you, in urban centers, there are 1st grade classes with 35 and 36 students in them. And tell me how that's good educational practices.

So while we're also looking at this funding formula, you keep putting things on the table. But part of this whole education system has to be, what can we take off the table? Because teachers in the classroom cannot do it all. If you want students to learn, there needs to be something -- a connection between teacher and student; and instruction needs to come first.

So we also need to figure out how do we work that in. Taxpayers, yes; administration, yes; school construction, yes. I don't envy you, because it really is a daunting task.

New Jersey had a model funding formula; we just never funded it.

So I'm asking you-- And the one thing I want to compliment you on -- earlier today, I did hear that you're taking a road show, where you're actually going to be in communities, and you're going to be talking to educators. You're going to hear how one year they're funded at 80 percent, and we get all these programs that are working great. But three years later, it's 40 percent, and all those wonderful programs that were

working are gone. You're going to hear from them, you're going to hear from community leaders.

So I thank you for the task you're taking on. I'm asking you, and begging you, to make sure you listen to those people who are in the classroom with those children, in all communities -- whether it's urban, rural, or suburban. I'm asking you to take your time and not rush. And I'm asking you to realize the instability of our public school funding, and the instability of that formula and how it gets funded every year, is one of the reasons our public schools aren't as great as they could be.

Thank you.

ASSEMBLYWOMAN JASEY: Thank you.

Seeing no one with their hands up, I would like to ask Judy Savage and Tom Puryear to come up. And they will be followed by Janellen Duffy and Susan Cauldwell, who are our last speakers.

Thank you, members of the Committee, for sticking around.

(laughter)

**J U D Y S A V A G E:** Good afternoon, Chairman Rice, Chairwoman Jasey, members of the Committee.

Thank you for the opportunity to speak, very briefly, today.

It's been a really informative discussion about very complex issues, and we appreciate being part of it.

I'm going to focus my brief oral remarks today on county vocational school; which are part of the funding formula, but they're a little bit different than local districts.

As a group, our 21 county vocational schools are receiving about 3.3 percent less aid this year than they did in 2010, seven years ago.

At the same time, enrollment in our 21 county vocational schools has increased, statewide, by 14 percent.

With rising costs and new requirements for teacher evaluation, PARCC, security, and many other factors, it's easy to understand that it's becoming increasingly difficult for county vocational schools to serve more students with fewer State resources.

As you well know, there's a growing demand for career and technical education throughout the state from students, from employers, and from parents. And the Legislature has been incredibly supportive of efforts to address this. But it's very difficult for county vocational schools to fill those needs, to keep their career programs aligned with the needs of industry, to address emerging workforce needs. We need to have sufficient resources to attract talented teachers from industry, and to keep technical equipment and curricula up-to-date with industry demands. Quite simply, we can't prepare students for the jobs of tomorrow using outdated equipment and technology.

Serving more students, and developing new and emerging career programs to address things like manufacturing, information technology, and health sciences requires State aid to keep pace with enrollment.

In addition to the stagnant State aid situation, county vocational schools also struggle with a unique challenge when it comes to tax levies. Unlike local school districts, county vocational schools cannot simply raise their tax levy by 2 percent each year. Their tax levy comes from the county government; and county governments are struggling with their own tax levy cap. So the result has been that a majority of our counties have seen little or no tax levy increases over the past seven years.

For example, eight county vocational schools have seen no increase in their tax levy since 2009-2010, even if they're below adequacy. Six additional counties have seen an increase, over the seven years, of less than 5 percent. So that's a tax levy increase of less than 1 percent a year, over that time.

So as you move forward to tackle some of these thorny issues, we appreciate that this Committee, the Assembly Ed Committee, the Senate -- that everybody is going to carefully review the current funding formula with the goal of restoring something equitable. And we'd ask that you take a couple of things into consideration.

We ask that you look very carefully at this issue of adjustment aid, which has been talked about a lot today. Adjustment aid was really a key part of the funding formula, especially for county vocational schools. Our districts transitioned from a system of categorical aid for vocational education, for adult education, and for special education. And they moved to a wealth-based formula that completely knocked out any funding support at all for the adult education piece. So adjustment aid was a key part, and we need to move very carefully on that.

We need to look very carefully at ways to increase the local contribution, especially for any districts that lose aid. This is going to be very, very complex and difficult; and we ask that you consider special situations, like county vocational schools, which are not funded through a tax levy at all.

So these are really difficult challenges. We appreciate being part of the conversation. It's very encouraging to see the Legislative focus on this, and an opportunity for some extended dialogue. And we are

confident that this Legislature will find the will to address this equitably, both in the short-term and the long-term.

Thank you.

ASSEMBLYWOMAN JASEY: Thank you, Judy.

Yes, Assemblyman.

ASSEMBLYMAN WIMBERLY: Thank you, Chairwoman.

I know it's pretty fast in looking at new things.

Are the vocational schools experiencing major cuts to staffing and programming, or can you identify any school districts or areas that are? Because I know our vocational school is doing very well.

MS. SAVAGE: I would say that, at this point, the area that -- where they have established cuts is around the area of adult education.

ASSEMBLYMAN WIMBERLY: But not with student -- regular population?

MS. SAVAGE: You know what? Our districts had to make really difficult choices, especially back in 2011, when everybody was hit with a huge State aid cut that wasn't anticipated. And a number of our districts had to move their adult education programs from full-time programs to part-time programs. They're funded by the people who attend them. The students in adult programs have to pay to attend.

So, you know, we haven't been forced to cut programs. That's not something the county vocational schools want to do, because our goal is to meet the needs of the employers in each county by providing those programs.

ASSEMBLYMAN WIMBERLY: Thank you.

ASSEMBLYWOMAN JASEY: Thank you.

Tom.

**T O M P U R Y E A R:** Good afternoon.

My name is Tom Puryear; I am the Vice Chairperson of the Education Committee for the NAACP; that's the National Association for the Advancement of Colored People.

I want to thank Senator Rice, and also Assemblywoman Jasey, for allowing us to be here this afternoon.

When you're the next-to-the-last presenter, and you're facing a 1:00 p.m. deadline, a lot of what I need to say has already been said. So I won't bore you with that.

I do want to say to you, however, that the NAACP is a very strong supporter of the SFRA. We believe that it has improved academic achievement, it has closed the achievement gap, and it has increased graduation rates for Abbott school districts. However, we do believe that the formula should be run, and all aspects of that should be addressed.

I also wanted -- we also wanted to address the funding formula. But I want to address something that someone said -- either from your side or from my side -- in regards to SFRA being constitutional.

I don't believe that question has been raised. The court, when it agreed that it could move forward, indicated that as long as it was funded, it would be constitutional. As my colleagues have said, it has not been funded, so I would question whether or not it is constitutional, or the court has mandated that it is constitutional.

Again, my colleagues have mentioned the Governor's -- the possibility of him introducing the fairness formula. We would be opposed, as an organization, to such guidelines being established; number one,

because it would reduce the Abbott preschool situation, which would mean a redistribution of the funds themselves.

And we also have some information in regards to school districts, and how they would be affected. Some of it would impact the legislators sitting before us. Orange, for example-- Orange School District would lose \$39 million; East Orange, \$113 million; Vo-Tech, \$5.8 million; Irvington, \$64 million; Newark, \$389 million; Passaic, \$137 million; Elizabeth, \$203 million; Paterson \$218 million; Asbury Park, \$40 million; Jersey City, \$216 million; Camden, \$178 million.

So you can imagine what devastation this would create within our school districts.

But I notice that Assemblyman Caputo is not here; because he raised the question -- or he made a statement that I, also, would probably question. When someone said that when the Governor makes his budget address, that if he introduced the fairness formula, and then a couple of days later the State aid information is released to school districts -- I think that Assemblyman said that the Legislature would be able to go court. I'm not so sure that's the case, because the court would have nothing to act upon, because the budget would not have been struck. So it's very diabolical -- about what could happen if the Governor introduces a budget plan that includes his fairness policy.

So what I'm saying to you is, we are a strong supporter of the SFRA; we believe it should be funded in order to give all of our kids a quality education. We're looking at the 21st century, and we do not believe that -- we want all of our children to have 21st century skills in order to

move forward. And we hope that, in the future, you are able to address that.

And we thank you very much.

ASSEMBLYWOMAN JASEY: Thank you very much.

Any questions? (no response)

Seeing none, thank you so much; and thank you for persevering and staying. (laughter)

Last up -- last but not least, Susan Cauldwell from Save Our Schools New Jersey; and Janellen Duffy, Executive Director of JerseyCAN.

Thank you, both, for staying.

Oh, is Susan not here?

**S U S A N C A U D W E L L:** (off mike) No, I'm here.

ASSEMBLYWOMAN JASEY: Where are you?

MS. CAULDWELL: I'm here.

ASSEMBLYWOMAN JASEY: Thank you, ladies.

Would you like to begin, Janellen?

**J A N E L L E N D U F F Y:** Sure.

Good afternoon, members of the Joint Committee.

I'm giving you my written testimony now; so I will try to speed up my remarks, considering it's past 1:00 p.m.

Thank you for the opportunity to speak today. My name is Janellen Duffy, and I am the Executive Director for JerseyCAN, which is a nonprofit, education advocacy organization. We've been up and running for about four years. We take a bipartisan approach to education policy, and we have a number of seasoned State leaders who are on our board: Governor Kean serves on our Board; Susan Bass Levin, who is a former

Commissioner of the Department of Community Affairs; Ray Chambers, and Tom Healey; and some other folks as well, too.

So today I'm here to comment on the current state of school funding in New Jersey. And thank you, again, for having this really important dialogue.

In addition to my role as the Executive Director of JerseyCAN, I was personally involved in the work on the School Funding Formula, because I served as Governor Corzine's Education Policy Advisor. So that kind of gives me some unique perspective on the issue.

As you know, and as you've heard today, after years of flat funding, shifts in enrollment and demographics, and wealth patterns, and limited resources have put a large number of school districts in an increasingly tight financial situations. And this has impacted every type of school -- districts, charter, vocational, etc., as you've heard today.

The current school funding inequities are largely created by the fact that the SFRA has not been fully implemented as intended. It was designed to redistribute aid in a more equitable manner, but budget constraints have prevented the State from fully funding it.

As an education advocate who is advocating for all students, it's important to recognize that both traditional school districts and charter schools are public schools; and both have suffered from the inability to properly fund the School Funding Formula.

Charter school expansion is actually not the driver of district budget woes. But what has been lost in this charter-versus-district debate is that we have not adequately addressed the broader school funding issues that are facing all of our public schools. It's a broader systemic issue.

I just want to-- I know there has been a lot of talk on this, but I just want say a little bit more on this -- which is that blaming charters for district school funding challenges is misleading and inaccurate. It further fuels what is a false dichotomy when we pit district schools against charter schools. And that's a political debate, but it doesn't really speak to the reality for a lot of families. We have some families here today, and many of the families that we work with, have children in both traditional public schools and in district schools. So it is a false dichotomy, and we try to separate the two. Parents are just trying to make the best choice possible for their students, and we have to come up with a system that allows for them to do that.

Public school families -- they're fighting because of the scarce resources. And the inadequacies in the current system are creating real inequities across the state that hurt every type of public school.

So in terms of solutions -- you've heard some ideas today. We have to look at specific categories of school funding -- such as adjustment aid -- which there's been a lot of discussion about today; and other factors, like the tax levy growth, and districts' local fair share. We have to look and dig into those areas if we want to think about a fair, more sustainable system of funding for schools.

We have to make adjustments, like SFRA always intended; as many of you know, who worked on this Bill. It was always intended to address changes in enrollment. So it has to address the needs of districts that have had increases in enrollment; and we have to take a hard look at districts that have consistently lost enrollment, and the impact of such enrollment declines on their school funding needs.

Again -- Assemblywoman Jasey, you mentioned this earlier -- the original Bill was supposed to take a look at that.

We need to work together to find -- to identify adequate funding sources and solutions so that every school -- whether it's traditional, charter, vocational, etc. -- has the proper funds to succeed. And this would require both phasing-in new funding, most likely, given the State's budget situation; but also phasing in some of the adjustments, like adjustment aid, that have been talked about already today.

Toward the goal of productive conversations -- which I know you are trying to jumpstart today -- all working groups or committees suggested by the Legislature should really include representation from all types of public schools -- again, traditional, charter, vocational, etc. We do a lot of work with traditional schools and with charter schools. Charter schools are serving over 50,000 students statewide, most of who are in urban communities; and about another 30,000 are on waiting lists.

Parents' preferences, really, have to be taken into account particularly these parents' preferences for high-quality school options have to be taken into account when larger conversations about school funding are being heard.

I'm getting the signal to wrap up.

Just one last point that I want to make, that's not in my testimony, but I wanted to address it -- is preschool. Many of you know that there was a preschool component on SFRA to expand high-quality preschool for all low-income students across the state. That's a really, really important provision. I know funding is an issue there; but, again, I think

that has to be included when you're putting everything on the table in this broader conversation about school funding.

Thank you.

ASSEMBLYWOMAN JASEY: Thank you; and thanks for bring up preschool issues, one of my pet issues.

SENATOR RICE: Chairman; Madam Chairlady--

ASSEMBLYWOMAN JASEY: Yes, Senator Rice.

SENATOR RICE: Yes, just right quickly.

This is probably more of a comment than anything else, that needs to be looked at if we're going to talk about the formula. Because I know Ray Chambers and all these folks who are involved.

And when you talk about the charter school movement, you have Democrats for Education Reform; you have Yes, We Can (*sic*); and all these networks. Once again, even though you keep mentioning charter schools, traditionally, subliminally what you are really saying -- that's not coming out -- we're talking about the KIPP network. That's the *TEAM Academies*, the kinds of -- and *Uncommons*. Those other schools that aren't doing well in the charter network aren't getting the kind of support systems from us or from "the folks who you keep naming on your board," that they should be getting.

Now, I can say that because I am from Newark; and I talk to the parents, and I know the people who run the schools. And some of them are afraid to say anything because the Governor would shut some of them down because of the problems they are having. They are just struggling right now.

So if Ray and those guys are going to continue to articulate and market to parents where there seems to be a bigger demand for charter, okay? -- because that's how they market it; and then they're starting to tell us that there's a bigger demand. What it is, is they are marketing it. But no one talked to us about how they are marketing it, or what they are really saying to parents.

Ray, at one time, before he got involved with charter schools -- I'm just using him as an example, Ray Chambers -- was involved in the Boys and Girls Clubs. But evidently, my Boys and Girls Club closed so they could put up houses. So my point is, is that we should spend the same collective time talking to the State and to parents -- that if a traditional public school is not working, how do we fix that with what we are doing? What the movement is saying is that, "Look, for you parents" -- because we're not going to tell you why your school is not working; we know why, but we're not going to tell you -- "we're going to invite you to help us close that one, so we can eventually change the whole public system where there will be a charter school system like New Orleans and someplace else."

That's not going to happen in New Jersey, but that is what's really going on in some people's minds. And some of those folks are making money in the process.

So you don't have to respond to that. Just take back to Ray and them, just say "*Ron Rice*" -- he knows me well -- "said that let's spend a little bit more time talking about the things that are happening in traditional public schools. Let's do a moratorium and fix the ones that are not working." Everything is not *KIPP*; and all *KIPP* doesn't work either. Everything is not *Uncommon*. And you know, there are others out there,

that they need to be -- that they claim to be part of a network -- you need to give a lot of attention to, to help. And they can afford to do it, because they are investors, okay?

Just take that back to him; you don't need to respond to it.

MS. DUFFY: May I just say one quick response?

SENATOR RICE: Oh, I'll give you one response.

MS. DUFFY: Quick, quick response.

SENATOR RICE: All right.

MS. DUFFY: So we work with both the districts and the charter schools. I want to assure you of that. And when I talk about charters, it's not just charter management organizations; but it's also independent charters as well.

So our bar is quality in support of high-quality public school options, whether it's district or charter. And that's what we wake up every day and fight for, and work on at JerseyCAN; and that's what the Board -- that's the bar that they're used to. They want to see the same standards of quality for both districts and charter, and the same standards around accountability for both.

And then the last point that I'll say, really, really quickly, in response to the piece about the moratorium, is that -- that has very real implications for parents and families who are making it clear that their top preference, in a city like Newark, is for high-quality charter schools. And so I think just-- If there are further conversation about moratorium, I would love to have a further conversation about the impact that that would have on families who are trying to make sure that they have high-quality school options lined up for their students.

SENATOR RICE: Just-- And I'm going to let this go.

I live in Newark; I've been there since 1955. I know the charter school parents; not all of them. And some of them beat me up, based on the way you market them. When I talk to them, they find out that they don't know all there is to know about what the networks are telling them.

They do have kids in both school systems, okay?

MS. DUFFY: Yes.

SENATOR RICE: But the difference is, the question is, "Hold it; why do we have--" I'm going to tell you what they're asking. "Why do we have to have a charter school; why is that one not working?" It's not working because the system that's set up with the leadership at the State don't want it to work, because that's the only way it can get it, and to build more charters. And what your networks should be saying is, "Hold it. We're going to slow this thing down." Because the parent who is looking for a kid to come from the Gray School and transition into a high school that works, we should be, collectively, working on the high schools. We already shut down West Side for Ray Chambers, and then gave him the land -- that's SDA land. We took peoples' homes, and ran them out of town for it. We were supposed to build a new school. We didn't do that. That's what we did.

And we should be saying, "Okay, we're going to work with traditional schools to make sure whoever transitions from this charter school at this grade level, has a regular school," -- that they always went to before charters came -- "We're going to fix that."

And that's what some of this formula stuff is all about. It's not about putting the money in the pot, and then you run in and say, "Okay,

this school is not doing as well as it should do, so we're going to market it, and use all this big money to market all this slick stuff to parents as to why we should close that building down, take those kids out, put them in another charter school that we are going to create." That's what I'm talking about.

And I think that you all know that. And I respect the parents in my District. And I am always fighting for those kids, even the ones in the charter schools. But you have to stop BS-ing them on what's the problems with the system, and why the funding is not there for either side of it. We have to do a formula that is going to benefit them all. And we can't deal with just the (indiscernible) systems, and let those other charter schools that have been around long before KIPP and them came and took our money -- okay? -- including the \$25 million from EDA, that they should have never gotten-- We shouldn't allow that to happen.

So we're going to look at the school formula; and other Committees are going to look at it. And charter has to be a part of that conversation. But we have to be honest about the intent, as we know it, as it relates to charter versus traditional public schools. We have to put all of that stuff aside and start from square one so everybody can get their just due as it relates to equitable funding.

And that's where the fight is, and it shouldn't even be a fight.

So you don't have to respond to that part, okay? (laughter)

MS. DUFFY: Okay.

SENATOR RICE: Just take it back to your Board; your Board knows me.

MS. DUFFY: Okay, we're eager to be a part of that conversation about solutions for districts and charters.

SENATOR RICE: Okay.

MS. DUFFY: That's all I'll say; thank you.

SENATOR RICE: If Ray wants to call me, he can call me. I'll tell him the same thing. He knows me. (laughter)

MS. DUFFY: Sounds good.

ASSEMBLYWOMAN JASEY: Thank you; thank you, Janellen. I apologize for not pronouncing your name correctly.

MS. DUFFY: That's okay.

ASSEMBLYWOMAN JASEY: Okay; last but not least.

MS. CAULDWELL: Thank you.

ASSEMBLYWOMAN JASEY: Thank you.

MS. CAULDWELL: Thank you for convening this hearing.

Save Our Schools New Jersey was founded about six-and-a-half years ago because parents were concerned about the financial health of their school districts.

Since that time, we've grown to about 31,000 members; we are nonpartisan, unincorporated --- just a loose group of people who truly care about public education.

And we've heard a lot of interesting and technical testimony today about the effects of not funding SFRA, which we fully support.

I asked some of my members to tell me what the effects in their districts are of school underfunding. And I don't think we've heard enough of that. So if you would indulge me, I want to tell you a little about what they said.

The biggest issue was personnel cuts -- to staff, support staff and, in certain cases, administrators. The result of that has been increased class size and the loss of electives, in some districts, just because there are not enough teachers to teach the classes the students want to take.

Student activity fees have been implemented for athletics, as well as other extracurricular activities. And stipends have been cut for teachers and other people who would run those programs for students after school. And we know that public education is supposed to provide a comprehensive education, which not only includes the academics during the day, but the activities in the afternoons and, sometimes, before school that enrich a child's life; and sometimes are the only reason they come to school. So we don't consider that to be *fluff* at all.

Curriculum updates have been delayed or eliminated, and text book purchases have also been delayed. In some districts, the plan to implement full-day kindergarten has been put on hold.

And there is a disparate effect to these cuts, as wealthier districts can turn to parents to fill in some of the gaps in State funding. In my former district, where I served on the Board of Education, we were going to take our kindergarten program from full-day to half-day in 2011. In two weeks, the parents in my district raised a half-million dollars to keep that program in place. So that's extraordinary, and that's not something that most communities are able to do.

Our members in Red Bank tell us the district has experienced a 36 percent growth in enrollment since 2012, mainly of low-income and limited-English students. The district has been unable to fund a reading

specialist, content-area teachers, and curriculum writing programs desperately needed.

Three years ago, the district cut its orchestra program; and is unable to fund middle school athletics, after-school programs, or field trips. The district sends half its \$3 million in State Aid, each year, to the Red Bank Charter School. The per-pupil cost of the Red Bank Public is \$2,000 less than the Red Bank Charter School, despite the fact that Red Bank has a greater percentage of disadvantaged students. And our members there are beseeching me to ask you to make sure that students in Red Bank get their fair share.

I also want to commend the Legislature for its commitment to New Jersey's public schools, especially during the past seven years. We have appeared at every Budget hearing, asking you to do things like reject vouchers and reject the DOE's adequacy reports. And you have done that, so thank you so much for that.

As I said earlier, Save Our Schools New Jersey supports full funding of SFRA. We are very concerned that when the Administration fails to run the formula, that the public is not really aware of how severe the underfunding is.

The Administration also fails to follow the formula when it increases State aid equally to districts, as it recently did by giving each district \$10 per student and calling it *PARCC Readiness Aid*.

And finally, a common concern of our members is the loss of what they call *joy* in the classroom; that's their word. The shock from the huge cuts in 2011 has, kind of, gone away; but in its place is an understanding that public education today has changed, and it appears to

emphasize standardization over authentic learning. Without going into detail about the problems with PARCC, our members want fewer worksheets and test prep, and more projects and creativity in the classroom. The latter, unfortunately, is more costly than the former, so it is easy to see why some districts are forced to take a cheaper way out.

Students deserve teachers who are able to differentiate instruction and support them when and where they need it. Continued underfunding of public education threatens authentic instruction.

So we ask that you please make sure every New Jersey student gets the opportunity to succeed by protecting our school funding formula and funding it to the maximum extent possible.

And thank you for including us in this hearing today.

ASSEMBLYWOMAN JASEY: Speaker, did you want to say something?

JULIE BORST: If I may.

ASSEMBLYWOMAN JASEY: Yes.

MS. BORST: Just very quickly.

My name is Julie Borst; I am a member of Save Our Schools New Jersey. I'm also a special ed mom, and a special education parent advocate.

And I would like to ask you, as you are considering SFRA -- and obviously, all of us would have been much better off had it been funded all along -- is to take a very close look at how special education is funded. Because one of those changes made was from the number of students that you had with it, to a formula that combines what the State average is -- which is about 14.6. And you're multiplying that times -- or dividing it by

the number of children who are in any district; and then you're also adding in some version of a formula of what your incomes levels are.

School districts, even like the ones that I'm in -- I'm in Bergen County, and I come from a very wealthy district, and we're very small. And special ed has suffered horribly, horribly under not only the general education funding cuts, but also under the special education funding formula. So that a district like mine -- and I'm not going to name it here -- a district like mine doesn't have special ed reading teachers. I mean, how do you do that? They're one more budget cut away from having art-on-a-cart and getting rid of an art teacher.

And this is in the sparkliest places. We just happen to be very small.

So our parents are able to make up an awful lot in our taxes. My school district gets about \$336 per student in aid, and we make up the rest. And we are funding our schools at way more per-pupil than the average in the State of New Jersey. We're very fortunate to be able to do that.

But the quiet, maybe, bad little dirty secret that nobody knows about is that special ed is just horrible. And we have to make those up, as parents. That's not fair. And what's happening in districts where you don't have the personal financial resources to make up that difference? These children are being hurt; this is our future. It's not just the general education students, but it also those special education students who could go on and lead a productive life, and be part of society, and blend in with everybody else. My daughter is a perfect example of that.

And so the narrowing of curriculum as a way to deal with a lack of funding means that my daughter -- who is an amazing photographer, who loves to design clothes and makes them -- looks terrible on a piece of paper, because she's never going to pass a standardized test.

And so she becomes somebody who is pushed off to the side, because we just don't do that. And that's not okay.

So I hope you will take that into consideration.

SENATOR RICE: Madam Chair.

ASSEMBLYWOMAN JASEY: Yes; Senator Rice.

SENATOR RICE: In reference to special ed, I'm suggesting that this Committee, as we move on with these types of hearings, put up a -- maybe have a whole hearing just on special ed. There are some issues; because, as we said, everyone has to be involved with the conversation. It's not about who we like or dislike, who's anti- and all that kind of stuff. It's about the kids.

So the charters have to be involved in that conversation too. Because under the charter law, they have a responsibility to meet special education needs as well. And I'm telling you, most of them are not doing that. They are in violation. But we don't shut them down; we just give them more money.

And if, in fact, they have to meet that obligation, and we can find ways and means -- or they find ways and means to obey the law and meet their obligation -- okay? -- then we have to know what that means, as it relates to funding, because money follows the child. So does that create a problem; does that just, kind of, neutralize stuff, it's just following-- Or does it create another need for additional funding?

We really don't know, because no one raised it. And charter schools don't want to come before us to talk about special education, special needs students. We know what they're doing with them.

There are one or two schools that cater, very minimally; and so they declassify them once they get there, you know, with the IEP stuff; and send them back, if they can't declassify them.

So that's something that -- Yes, I Can and the other charter networks need to go back and let the people in charge know that we need to have an honest discussion about special ed: What are their needs to address them -- meaning the charter schools; why they are not addressing them; why they need to address them; and what it means and what kind of impact it's going to have. Don't tell us to close our schools and give you our facilities. We don't do that. But we need to know what it means, and whether or not the formula actually addresses the special ed needs as it relates to charters, if they go that way. Because we're not really sure. We know what the formula says, and we said, "Let's run the formula." But if we run the formula, we may find out that, at the end of the day, we're not addressing that one need that most people don't want to talk about -- but we do -- and that's that special ed need, okay?

MS. BORST: Right; I appreciate that very much.

MS. DUFFY: May I--

ASSEMBLYWOMAN JASEY: No.

MS. DUFFY: May I add one point? May I just--

ASSEMBLYWOMAN JASEY: No; Assemblywoman DeCroce asked to speak; and then we're going to try to wrap this up. Because I will tell you -- we are going to have a hearing on special ed.

ASSEMBLYWOMAN DeCROCE: Special education, since the day I arrived, has been a subject that is very near and dear to my heart, within my family.

And when we talk about funding, Senator, and special education, there's something that I would like if we could have somebody research and take a look at. Under State statute, I believe, before a child becomes a student of a district, if a special education need is identified the district has to pay for anything prior to kindergarten and preschool in helping that child. I remember there was Project Early Help; there were different things out there.

My question is this: How does the funding for that affect the funding for the children who are now in the classroom? Does it take away from the money in the district? Because that child really isn't a student within the district yet; but under State statute, if they live in the community, they have to pay for it.

So I think that that's something we should look at. Because that may need to be a separate line of funding so it doesn't take away from the children once they hit the district and they have special needs.

So I think that's something that we really need to dip in deeply and take a look at.

MS. BORST: If I may, as a parent advocate-- And for those of you who don't know what that is, I am the person between somebody hiring an attorney. I do this for free. I'm in districts all over the state. I am in wealthy districts, I am in the cities; I have helped parents in charter schools, most parents I help are in public schools.

And some of them are -- do fall in that transition, between birth-to-3; and hitting 3 years old, and entering into districts.

And I will tell you, in my experience, that children who were already identified as being *disabled* in birth-to-3 have a much better go of it as they approach a district. If you have a 3- or 4-year-old, before they enter kindergarten, and you are identifying in that range, it is extremely difficult to get services in that range. My presumption -- and I don't know this for a fact, but it would certainly be something to look into -- is that districts are kind of afraid to go there because of the money factor, frankly.

ASSEMBLYWOMAN DeCROCE: Right. And I think that is important.

And I'll just close by saying this. Just last year, in the fall area, I had an individual come to me with a problem with their child, with the Child Study Team and that. And they did go to an attorney to try to help them get through it. And they needed to give a \$15,000 deposit--

MS. BORST: Yes; I can tell you--

ASSEMBLYWOMAN DeCROCE: --to deal with this.

So how do you deal with it? It's just crazy.

MS. BORST: It is.

ASSEMBLYWOMAN DeCROCE: And I literally-- I'll be honest, I ended up crying with them, because I didn't know what to do myself at that point, when they told me that. I was in just pure shock.

MS. BORST: Right.

ASSEMBLYWOMAN DeCROCE: So the heartbreak of it all is this little boy who is suffering. And it was all about money--

MS. BORST: Right. And the process to--

ASSEMBLYWOMAN DeCROCE: --and the need to get things right.

MS. BORST: And the process, if you have to hire an attorney and go through the court system--

ASSEMBLYWOMAN DeCROCE: Yes, it's very expensive.

MS. BORST: --it's very expensive; and it's very lengthy, too.

ASSEMBLYWOMAN DeCROCE: Yes, it is.

MS. BORST: So your child is losing services in that timeframe; yes.

ASSEMBLYWOMAN DeCROCE: So thank you.

ASSEMBLYWOMAN JASEY: So we're going to end with that because, as I said, the plan -- it's on our agenda to deal with special ed, because that's a whole other issue that fits into this bigger picture.

I want to thank everyone for staying today, and for coming and testifying.

I think it's clear, if it wasn't clear at the beginning, it's certainly clear that we have a lot of work to do. And I want to end on a positive note, and that is that I think in our discussions, deliberations, investigations, whatnot -- we need to focus on the joy of learning. And I have heard it too many times over the last several years that that joy doesn't seem to be in our classrooms. And one person described it to me, I thought, very clearly. She said, "I look at," fill in the blank, "and I see that, you know, when she started kindergarten, she was a flower blooming. And what I see happening is that she's wilting." Because, you know, the things that interest this particular child and that get her to be excited about

learning and going to school, have been lost as she's moved into middle school and high school.

So I don't want that to be the picture. I think all of our children can bloom and grow to their potential. And I think it's our job, as the adults, to figure out how we do that. So I thank you very much, and I look forward to tomorrow's hearing (laughter) with Chairwoman Caride.

Thank you.

**(MEETING CONCLUDED)**