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# *Public Hearing*

before

## SENATE SELECT COMMITTEE ON SCHOOL FUNDING FAIRNESS

*“The Committee will receive testimony from invited guests  
and from members of the public on inequities in school funding in New Jersey”*

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**LOCATION:** New Jersey Institute of Technology  
Newark, New Jersey

**DATE:** February 22, 2017  
10:00 a.m.

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

Senator Stephen M. Sweeney, Chair  
Senator Joseph Pennacchio, Vice Chair  
Senator Sandra B. Cunningham  
Senator M. Teresa Ruiz  
Senator Paul A. Sarlo  
Senator Michael J. Doherty  
Senator Steven V. Oroho  
Senator Samuel D. Thompson



### **ALSO PRESENT:**

Allen T. Dupree  
*Office of Legislative Services  
Select Committee Aide*

Elizabeth Mahn  
*Senate Majority  
Select Committee Aides*

Rebecca Panitch  
*Senate Republican  
Select Committee Aid*

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

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STEPHEN M. SWEENEY  
*Chair*

JOSEPH PENNACCHIO  
*Vice-Chair*

SANDRA B. CUNNINGHAM  
MICHAEL J. DOHERTY  
STEVEN V. OROHO  
M. TERESA RUIZ  
PAUL A. SARLO  
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## **New Jersey State Legislature**

**SENATE SELECT COMMITTEE ON  
SCHOOL FUNDING FAIRNESS**  
STATE HOUSE ANNEX  
PO BOX 068  
TRENTON NJ 08625-0068

### **PUBLIC HEARING NOTICE**

**The Senate Select Committee on School Funding Fairness will hold a public hearing on Wednesday, February 22, 2017 at 10:00 AM at the New Jersey Institute of Technology Campus Center Atrium, 150 Blecker Street, Newark, New Jersey 07103.**

**The committee will receive testimony from invited guests and from members of the public on inequities in school funding in New Jersey.**

*The public may address comments and questions to Allen T. Dupree, Committee Aide, or make bill status and scheduling inquiries to Marguerite Tazza, Secretary, at (609)847-3850 or fax (609)984-9808. Written and electronic comments, questions and testimony submitted to the committee by the public, as well as recordings and transcripts, if any, of oral testimony, are government records and will be available to the public upon request.*

**Persons wishing to testify should register with the Office of Legislative Services at (609) 847-3850 and should submit 15 copies of written testimony on the day of the hearing. Oral testimony will be limited to three minutes. Persons who are not presenting oral testimony may submit 15 copies of written testimony for consideration by the committee and inclusion in the record.**

Issued 2/14/17

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**SENATOR STEPHEN M. SWEENEY (Chair):** Good morning; and I apologize for the late start.

And we really appreciate the people who are here to testify today.

This is an issue of greatest importance -- which is education funding, and getting it right, and treating every child fairly in this state regardless of zip codes -- that all children are treated fairly.

So I am going to hold my remarks, because we're late. But I want to ask our host, Dr. Bloom, if he would like to address us first.

**JOEL S. BLOOM, Ed.D.:** Senator Sweeney, thank you.

Good morning to our Select Committee on School Funding Fairness. We welcome you here.

And on behalf of the NJIT community, we wish you Godspeed in your deliberations on this critically important topic.

I've had the luxury, in the State of New Jersey, of working for well over 30 years, not only in K-12 education, but in higher education as well. And I would hope we have a system one day that talks about K-18 education for the workforce and for the voters of the State of New Jersey.

NJIT is your public, polytechnic university. You're very familiar -- I know many of you are very familiar with it. I want to thank, first of all, many of you at the table. You may see some construction on this campus; that was critically important bonds that you all approved the legislation for, building our future. We have three buildings under construction, including the renovation of the 1911 Central High. Mayor Ras Baraka, the former Principal, I know is here. And you have to see the interior finish of this building -- important classrooms, bio labs.

Another building that we're building is the Life Sciences and Engineering Building; again, responding to the workforce needs and the industry in the State of New Jersey. And the third one we're working on is called *Makerspace*, bringing back advanced manufacturing to the State of New Jersey. So we're on a growth trajectory; these facilities came at a critically important time.

We celebrate our new number one ranking in the nation, and that is the number one school in the nation for social mobility -- taking young men and women from the lowest quintile of socio economics, the poorest families -- upon graduation, and 10 years into their profession, they're in the top two quintile of earning in the nation. So we were ranked number one by the *New York Times* about three weeks ago.

I thank you for being here. This is a very important conversation that you'll be hosting, and I look forward to the results.

Take care; thank you.

SENATOR SWEENEY: Thank you, Doctor.

And I also want to recognize our colleague who is in the audience -- Senator Rice -- for attending; I appreciate you being here, Senator.

But I want to start off with the Mayor of Newark; Mayor Baraka.

**MAYOR RAS J. BARAKA:** Good morning.

ALL: Good morning.

MAYOR BARAKA: So I just want to thank Senate President Sweeney, and all of the Legislators who are here today, and the folks who are in the audience.

And I want to also, before I begin, thank the President of this fine university, Joel Bloom, who's a partner of ours in the City of Newark -- making sure that we create pipelines for young people to be able to attend these universities that are here in the City of Newark. They're doing a great job.

We have something called *Newark City of Learning Collaborative*, where we're trying to get more Newark students into these universities; 25 percent by the year 2025, and we're moving very rapidly in that matter.

That is, obviously, important to the conversation that's happening here today because, obviously, if we don't have good public schools, we're not going to have kids be able to go to these universities that are here in this city.

And fundamentally, about funding schools -- I think New Jersey is very clear that we believe in equity. We believe that all our kids should have access to a quality education, and that we ought to provide the funding and the necessary resources in order for that to happen. I honestly believe if we don't fund education on the front end, we'll be funding the social problems on the back end. So you just have to make a decision about *where* we spend our money, not *are* we going to spend our money. Because we will -- I mean, we'll either decide to spend it on social problems, or we'll decide to spend it on educating our kids at an early age.

I think it's extremely important; especially in places like Newark, where resources are dwindling. Particularly when you have a growing sector of charters in our City, at the same time where we are flat-funding or underfunding our school system, it creates a serious kind of deficit in schools, and pits our community against one another. It's

important for us to stop that kind of fighting. And the only real way we can stop that fighting is funding public schools at the level that they need to be funded at, and making sure that all kids have access to quality and good education, great teachers, great staff, great resources, and great buildings so they can get the education that they actually deserve, to get the education that most of us in this room had the ability to get, at the same time.

Hopefully-- I hope the discussion doesn't, after March 1, go from finding more money, to us begging to get the money back that we presently have, right? So if that happens, there will be a perfect storm in a place called Newark. I mean, if -- I mean, some of the other proposals seem to be really ridiculous to me.

And I just want to say that *equality* is not *equity*, you know? If you have \$5 and I have 0; if somebody gives us both \$5, now you have \$10 and I have \$5; so equality is not equity. We need to make sure that we give kids and communities what they need; not just what we think that we should give them, or what we think is fair, in terms of equality. It should be equity.

And Newark needs a lot; we have a lot of issues, and we need a lot in order to supplement the kind of things that are going on in our community at the same time. So hopefully we're looking for some imaginative and creative kind of ways to fund public education. I actually believe that funding education through property taxes is inherently unequal; it is wrong, in my mind. And hopefully we can become more imaginative about how we begin to create the dollars and resources to fund education in these school systems across the State of New Jersey.

And we're willing to do whatever we can, here in the City of Newark. We even added more of taxpayers' dollars to education this time around. We did that, here in the City of Newark, without being beat up about it, without being forced to do it. We did it because it was necessary for us to do it.

But we also know that we do not have the property tax base to pay for the kind of educational attainment that we need in this city. And so we need help from the State, and we need help from good-minded neighbors across the State of New Jersey, where it is not going to create this kind of rift between suburban and urban districts; where people understand that we want all Americans to have access to a quality education. And because I have more, that I should be willing to give to people who may not have that, to make sure our country is safer, more democratic; and at the same time, people are able to get their hands on this American dream that we always talk to them about over, and over, and over, again.

So that being said, thank you for having this here today. I think this is a very important discussion and, hopefully, hopefully we get to some real solutions. (applause)

SENATOR SWEENEY: Thank you, Mayor.

Thank you.

I'm going to start with John Abeigon and Donna Chiera--

UNIDENTIFIED MEMBER OF COMMITTEE: Abeigon  
(indicating pronunciation)

SENATOR SWEENEY: Abeigon (indicating pronunciation);  
John, I'm sorry. I'm from South Jersey. (laughter)

**J O H N M. A B E I G O N:** You're forgiven. I explain it all the time here.

**SENATOR SWEENEY:** Thanks, John.

And when the red's on, that means it's on-- These little mikes-- You talk into the big mikes; these little mikes are-- These little mikes are just for the streaming; that's the mike for--

**D O N N A C H I E R A:** This one?

**SENATOR SWEENEY:** Yes.

**MR. ABEIGON:** Go ahead, Donna.

**MS. CHIERA:** Good morning.

I want to thank you for allowing us to testify.

My name is Donna Chiera; I'm President of AFT New Jersey. I spent my life, prior to being President of AFT New Jersey -- 33 years in a classroom in Perth Amboy teaching special ed.

I've been between roundtables and hearings on funding. As I was thinking about today, I didn't prepare anything because, honestly, I think you have the facts and you have the figures all in front of you. I don't know what new things you'll hear today. And my goal, today, is to remind you what this is about.

For some people, this is about property taxes. For some people, this is about power -- a power base. For me, this is about children in classrooms.

New Jersey has a school funding formula that, when it was developed, was a model for the country. School funding is not easy; states have been struggling with it for years. But we had something that worked.

Our problem is, we never had the money to fully fund it, and I'm not quite sure that problem has been solved.

But we need to look at this. School funding, in a time when children are in a world of uncertainty -- and when you look at our urban districts, there's a lot of uncertainty. Schools should be the one place that is safe and certain. They should be able to go to school and know that it's a safe ground; not only that someone's not going to come out and pull them out of classes -- that there will be no shooting. School funding is about safety and health -- whether we pay for a filter for pipes for schools so the water is not -- doesn't have lead, or do we make decisions where we cut those fundings?

School funding is about, do we have 25 students -- which is still a lot -- in an elementary school classroom, or do those numbers have to go over 30?

School funding is, do teachers have the equipment and the materials they need to implement an education program that has standards. This is what school funding is about. It's about the kids.

And when you talk about property taxes -- people are pointing to us as public employees, saying, "Oh, you want all that money to go into the school system, and salaries, and benefits; but property taxes--" Can I remind you that public employees are citizens of New Jersey, and the last thing they want to see is their property taxes going up?

So I want you, today, to think -- when you're hearing all the statistics, and the numbers, and everything -- this is about kids, this is about education. We invest in what we value. And are we going to invest in a public school system and figure out how we can fund the formula that

worked -- with some adjustments -- or are we going to give up our public school system and make our schools less safe, less healthy, and not a stable place where education could take place?

Thank you.

SENATOR SWEENEY: Thank you.

MR. ABEIGON: Good morning.

I'm John Abeigon; I'm the President of the Newark Teachers Union. Like Donna, I'm a career educator.

Actually, I had mixed emotions of coming here, because I have to cross the quad there, and Central High School is right across the street where I started my career as a teacher, on the fourth floor of that then-dilapidated and collapsing building.

And I'm a Newark resident; I still reside in Newark. And to see that, and to see the construction that's going on around me -- it gives me mixed emotions. Because I'm proud, at one time, because NJIT is in Newark; but on the other hand, I'm also representing 4,000 teachers, aides, and clerks, half of whom still live in the District; the others live outside the District, and they reside in your towns.

I was in the Newark Museum this weekend. And I love going there when it's a holiday, because I know that I'm going to see people from outside of Newark, enjoying that resource that we have. But I sort of tend to go -- like the Mayor said-- And my argument would be for equity funding; and I like to use visuals. I look at the tax base for places like, maybe, Millburn (tears paper), which would be about that much; and Manalapan, which would be about that much (tears paper); and Montclair.

And then I grab the 18 percent of Newark, that has no tax base -- that's the Newark Museum; that's the property that we're on now; that's the entire Rutgers campus, which is across the street; that's NJ PAC, which many of you come to see performances; and it's great -- we love when you come here. Newark Symphony Hall; the hospitals; the airport; Penn Station -- none of it contributes a dime to the school system in this city. That's why Central High School is no longer in existence; it was transferred over to NJIT.

And I say that to you guys because Newark is State-operated district. So even though I'm asking that there be equitable funding, I also want some type of bipartisan oversight on how that money is spent. Because right now, Newark has no attendance counselors; our Superintendent -- former Commissioner -- somehow found a way to evade the law, and laid them all off because he couldn't afford them. And you're a Superintendent of the Newark Public School System, with a billion-dollar budget; I can see why someone in Manalapan would be upset. They say, "Wait a minute. You have a billion dollar budget; you have schools that are crumbling; you can't afford a \$75 lead water filter for an elementary school. Where's that billion dollars going?"

And I'm asking you guys because, like I said, it's a State-operated District. It's not as though I can go to Newark City Hall and get answers for what's happening at 2 Cedar Street for the State-operated District of the schools in this town. Or how much money -- how much of that \$275 million that is, right now, being usurped by corporate -- and I repeat, corporate charter schools in this city, without any oversight from any seated body. We have no idea how that money is being spent. We

know that they luxuriate; and when they come in and they co-op an old building, for instance, like Abington, all of a sudden, on the second and third floor of that -- where Academy is -- there's air conditioning, and carpeting, and brand-new laptops; while my kids have to suffer the humiliation of asking, "Well, why don't we have that on the first and second floor?" I can't provide them with an answer.

So yes, we have money; but unfortunately, under the operation of the State right now, apparently it's not enough. And like I said, I don't envy the greater thinkers who have to come up with a new formula. But I would argue, along with my Mayor, that it should be based on equity.

SENATOR SWEENEY: And I just want to make something clear.

We don't want to come up with a new formula. The formula works. We need to fund it.

You know, there are things that we missed, John-- And the reality is, it should be a living document. Every couple of years -- every now and then, you need to, maybe, adjust-- Like, we've never funded special education properly.

But Newark, running the numbers -- we're underfunding Newark by over \$100 million.

MR. ABEIGON: That's right.

SENATOR SWEENEY: So, you know, the State, if they followed this formula and funded this formula-- And that's what the goal is here, is to try to get both houses of the Legislature to move forward and fund. Because, how many -- and I'm plagiarizing somebody -- but how many Einsteins have we lost because we didn't educate them?

MR. ABEIGON: Every day.

SENATOR SWEENEY: And that's the reality here. And the purpose of coming here -- and I'm going to let Senator Ruiz speak next -- the purpose of coming here was because she has been one of the most vocal advocates about fair funding. And Senator Ruiz and Senator Rice share this District, this town, this City.

So our goal, just to be very clear, is not to do away with the formula--

MR. ABEIGON: Right.

SENATOR SWEENEY: --not to change the formula. We don't want to change it. We know it works, we know it passed constitutional muster. The problem is that the Legislature tinkered with it, and we need to get back and fix it, you know what I mean? And there are a lot of suggestions; there's no predetermined outcomes. We just know that what we're doing doesn't work. And a child in Newark should be educated just the same as a child in West Deptford, where I live. And, you know, it's--

We started this discussion in Paterson at least a year-and-a-half ago now. And in Paterson -- when you explain to people that Paterson is teaching in 58 different language-- So the social impacts that teachers are dealing with, the education costs more; I mean, that's just a reality. But, you know, if you make the right investments in pre-K, where non-English speaking children, after a year, are speaking English and actually teaching their families, it's--

We need to fix this; we know we have a problem, and the purpose of this -- the Senate passed a bill, at least three months ago, to deal

with it. So far, the Assembly is doing -- going in a different direction. But we're not going to stop these conversations until it's resolved. You know, a lot of times people expect you to move on to the next pressing issue. And in your job, and everyone's job, there's always the next big issue. This is -- property taxes and education funding are the biggest issues, and we're not going to let them go.

But Senator Ruiz, would you like to chime in, as our host?

SENATOR RUIZ: Good morning.

Thank you, Senate President.

I want to welcome everyone.

I would say the greatest district -- I know my Senate colleague is here, but he would agree. Because when it comes to the City of Newark, there isn't a Legislative 28 or 29; there is only one District, and that's working on behalf of all of the residents of the City of Newark.

When Dr. Bloom opened -- and thank you for hosting us, here today-- And if you just look outside the window you see cranes; you see companies coming from throughout the country and abroad globally; you see, just, courage in education happening right here at the center of the City of Newark. And that requires resources and investments. And when you think you about the curriculum that is offered here, and we think about our education school system, we have to think in that same kind of paradigm. We need labs, we need computers, we need 22nd century technology. We have to get rid of the buildings that were built under Abraham Lincoln's Administration. We have to be sure that every working family has access to a high-quality preschool program. We need to talk about the extended day, we have to renew our teachers' contracts, we have to fund our principals'

contracts. We have to bring back our guidance counselors in districts and areas where our children have critical needs that are unlike other children in the State of New Jersey. We have to fund extracurricular activities that have been cut. We need to talk about bilingual education in a different way, not as bringing our students up to speed, but really offering a new dimension of education that I think this country has been lackluster in. And that's offerings schools that offer two languages; so that when students graduate, they can be like most people in this country and in this world

The best thing is when you turn on the news, and in the middle of places where you would never have heard the name of the city or the country before, a reporter could be covering anywhere from a fashion event to a civil war in the same area. And they will turn to any individual there and ask them what their opinion is; and in a moment's notice, that person responds in English. In this country, we don't value talking more than one language. We need to think creatively about that; but that requires resources and investment -- to invest in the professional that can provide that in the classroom, and to offer that kind of space.

Attendance counselors -- who, in some districts, perhaps are not as critically needed. But when you're dealing with families who have extended families outside of this country, and don't recognize that if you're out of school for 20 days, that that is -- from 180 to 160, and the critical, dire nature that that creates for the academic success of the student.

We have 40,000 students-plus in this district, and it continues to grow. Flat-funding on an annual basis means that there is a decrease to the budget, because the costs keep going up.

We have laid off, we have consolidated, we have grown class sizes, we've been creative, we have thought outside of the box, we've collaborated with the unions. We are still at a place where we are just pulling things together to make things work at the end of the day. And when it comes to treating children-- Because to me, education is like that; it is the best resource that you can give an individual to get outside of whatever environment they're in, and where they can create the American dream the way we've never thought possible.

And so, we have to really think that fully funding the formula will get us to a much better place, making -- those resources and investing them properly will create better schools and better outcomes for our children. And always reminding ourselves -- and I remind people on the Budget Committee time and time and again -- when it comes to education, it's not an expenditure, it's an investment. And you've heard it.

The school funding formula did one great thing. And one thing that New Jersey gets touted for -- and I'm very proud to say that the City of Newark and the Mayor will echo this -- is that we have great high-quality preschool programs. And when I travel this country talking about the importance of preschool education, everyone points to New Jersey as the case study, and they look at the programs offered in the City of Newark. That investment -- that oftentimes gets misinterpreted as an *expenditure* when we're talking about expansion and creating more seats -- is an investment that cuts the cost for every child in later years in their academic lifespan. If they're in need of resources for developmental disabilities, if they're ELL students -- whatever it is, if we catch it early on, the give-back is more extraordinary than the output that we have to put in.

And the Mayor said it best. I look at it academically; but if you look at it even in longer terms, from cradle to career, if we don't create a wraparound service for every child to make him a positive, taxpaying resident of the State of New Jersey, the money that we will not be investing-- The money that we will be spending in that adult's life later -- will be much greater than what we are investing now in every child in the State of New Jersey.

So thank you. (applause)

SENATOR SWEENEY: Thank you.

Senator Pennacchio.

**SENATOR JOSEPH PENNACCHIO (Vice Chair):** Thank you.

Thank you, Senator Sweeney.

I don't want anybody in the audience to think that we're in unison with this formula, because we're not.

But I think it's important-- This is not meant as criticism, but I really do think it's important for those of us who disagree with the formula, and disagree with the way that education is being funded in the State -- for you to understand, directly from us, what some of the criticisms are.

And again, it's not meant to be a criticism; but it's meant to be part of the working process, as we go along, and perhaps we can find some solutions.

We have pieces of paper that were torn into shreds -- into smaller and smaller pieces. Well, here's my piece, right here. (indicates) This is the 2.5 percent that, where I live, my district of Montville, gets from the school funding formula; which is a lot less than some of the stuff that

you get now. Now, I recognize there are special needs; and I recognize that the cost of educating a child is as important -- in some aspects, maybe more important -- because of some of the issues that are involved in Newark and in some of the Abbott districts. They don't call them *Abbott districts*, but son of a gun, they still look like Abbott districts, and they still get funded like Abbott districts.

The formula itself is skewed, it's gamed, and it's political. If it's not political, why is a town like Hoboken still part of the Abbott district? Why are their kids being treated any differently than mine? If the formula isn't gamed, why is special education-- By all rights, special ed should see no boundaries. No child should have his educational experience be determined in special ed by a zip code. And that's exactly what's happening now.

My feeling, personally, is that special ed is the responsibility of the State. No matter where that child lives, 100 percent of that special education should be determined, and should be paid for by the State. And I would hope that, going on, we could segregate that out of the formula, and we could put that in as far as a constitutional amendment; because as far as I'm concerned, that's still up for discussion.

And again, not to be critical, but I want the people in this audience -- including out there -- to know some of the concerns that we have. We spend an awful lot of money in some of these cities; and yet, respectfully, years ago-- And somebody mentioned the PAC. The city came into a windfall of \$400 million, and they promptly gave it to a hockey team to build an arena. They could have put that money into the educational experience of these children.

So as an outsider looking in, and saying, “Well, you have enough money; you don’t need any more money from us. You’re giving it to them.” And by the way, the Devils now have \$105 million sitting in their pockets because they gave the naming rights to Prudential. Stuff like this is very upsetting to some of the people who are not getting properly funded, in my view; and quite frankly, some of the people who are paying full fare when it comes to the State income tax, where this money is coming from.

So, again, I don’t want to be critical. I am for educating every child. And I understand that there are special needs and special costs involved. But I also wanted you to try to see it through my eyes, and the way I represent my 215,000 people in my District, as well as some of the other people sitting at this table.

Thank you.

SENATOR DOHERTY: Senator.

SENATOR SWEENEY: Senator Doherty.

SENATOR DOHERTY: Yes, I just wanted to sort of echo some of the comments that Senator Pennacchio made, regarding-- Of course, we’re all for fairness, but we represent our constituents as well.

And the idea of-- Mayor Baraka was here, and the idea that he said he used the example of \$5, and \$5 now; we have \$10 and you have \$5. So the idea is that there’s this two-to-one distribution of State aid. The school districts-- And coming from suburban and rural areas of New Jersey -- Hunterdon County, and Somerset, and Warren County -- nothing could be further from the truth.

So I think it's important that the elected officials, and the public officials, and the members of the audience realize that it's not two-to-one, the school aid distribution. In many instances, the students in some of my towns are receiving a \$1, while other towns are receiving \$25. It's unbelievable. The 25-to-1 ratio actually exists. So the idea that it's two-to-one is absolutely untrue.

And to Senator Pennacchio's point-- And I credit Senator Sweeney for leading this effort, because we do have to look at changing demographic situations here in the State of New Jersey. And there have really developed some serious inequitable situations. I represent Hackettstown, which has a per-capita income of \$29,000 a year, according to the most recent census figures. And it's not an Abbott district; it doesn't get special money for building schools. It has to all come from the local folks. And so Hackettstown's at \$29,000 -- not an Abbott, no special additional aid. Hoboken -- which has had a quite a regeneration -- per-capita income is \$69,000; mean family income is over \$100,000.

So the idea that we don't have to look at this issue-- Well, we have towns that are doing spectacularly well economically, and a lot of my towns are suffering from economic malaise and going backwards. And they're at \$29,000, and we have towns that have \$69,000. And I'm supposed to look my constituents in the eye and say, "Keep sending the money, and subsidizing the town where everybody is at \$69,000"? That's a real problem.

And that needs to be addressed as well.

So I'm glad we're having this discussion; and we should really look at all the facts. And I think some of the folks from -- representing the

urban areas have some good points; but I think folks from other parts of the state have legitimate concerns as well.

SENATOR THOMPSON: Mr. President.

SENATOR SWEENEY: Yes, Senator Thompson.

And if we can, after-- I'd like to get back to the people testifying.

But, Senator Thompson.

SENATOR THOMPSON: Thank you, Mr. President.

When we consider school funding, there are really two issues that you need to consider.

One is the funding; that is, what funding is needed, what is adequate, what is needed to provide the education we need for the children. Then the second is, where's the money to come from?

Of course, in terms of how much money is needed, well, we do have the formula which comes up with the adequacy amount that's recommended for every district, and so on. But that's just a recommendation. That's not a limitation on it; I mean, any district could spend more money if they figure they need it for their kids, and so on -- for special circumstances. And, of course, the formula also tries to provide how much the State should provide, and how much the local districts should provide.

And one of the major factors in there, again, is the tax base, which was mentioned.

One of the problems that some of us have here, when we talk about tax base-- It was said earlier that, here in Newark, you have very little tax base. It was pointed out you have NJIT, museums, and so on that

don't pay taxes. But you also have a great deal of commercial property that is tax abated. I recall, 10 years ago, there was a big controversy in Trenton because there were a lot of commercial properties downtown that had 25- and 30-year tax abatements; they're expiring; and they were being given new tax abatements for 25 and 30 years.

When that's done, of course, the municipality collects the money to run the town, but the schools get no money. That says, "Okay, you don't have any property tax, their base to support the schools." So in other areas where they don't have that commercial property, everybody pays their property taxes.

So again, we start speaking of where should the money come from -- should it come from your property taxes, or should the State bring the money in -- bottom line, it comes from the same place, regardless of whether you're talking about the State or local. It comes from the taxpayers. It's a case of, do they pay their money to the State and send it back down here, or do they pay it to you, in the town, and you get it there?

Really, the best tax dollar the citizen pays, is the taxpayer that pays locally. Because when they pay a dollar locally, they get a dollar's worth of services. When they send it to Trenton, who knows what they're going to get back? Many areas don't get much back; some areas get 60 cents back, some get \$1.50 back. So that's -- how much we divide the pie up, thus--

And that's where the school funding *fairness* part comes in -- determining what is fair and equitable; and of course, that is the purpose of why we're meeting now to try to figure that out.

Thank you.

SENATOR SWEENEY: Thank you, Senator

And I have to apologize, because I'm the one who started editorializing. (laughter)

If we-- Look, we will start calling the panels up; and more -- we are all within our rights to question the panel. But if we would hold our comments -- our personal comments to the end, so that we can get everybody who was kind enough to come out and speak to us.

And again, I fault myself for starting it.

So with that, I'm going to ask -- I'm going to call up Dr. Patricia McGeehan, Superintendent, Bayonne School District; and Mr. Leo Smith, Jr., School Business Administrator, Bayonne School District.

**PATRICIA L. MCGEEHAN:** Good morning.

At the onset, I wish to thank Senator Sweeney, and Senator Cunningham, and the entire Senate Education Committee for the opportunity to speak today.

My name is Patricia L. McGeehan, Superintendent of Schools. And Bayonne is an urban school district in Hudson County.

I have an important question: Why not Bayonne? These three words have been haunting me for the past two years, but never as much as the past few months.

After decades in my District as a teacher, as a Principal, and the last 17 years as its leader, I find myself in a tale of two cities: One city is Bayonne, in dire need of State funding due to severe State underfunding, once again; the other is a group of Hudson County cities, to our north and to our west, granted millions of dollars more, on a continuous basis, year after year. Why not Bayonne?

And as the proud Superintendent of Schools in Bayonne, I can truthfully say, this is the worst of times. We have increased enrollment and years of zero tax increase, and yet we are not funded adequately. Those other districts are; why not Bayonne? Our special needs have grown, as have our English language learners and our economically disadvantaged. But our funding has not.

For our neighboring cities, new schools are filled with unlimited state-of-the-art technology, class size is low, and administrative support is boundless. Question: Why not in Bayonne?

Recently, we have had to contend with numerous unfunded and underfunded State mandates. Due to the Achieve New Jersey, the classroom teacher has had increased accountability, as well as the Building Administrator. This Achieve New Jersey philosophy of communication among both is admirable; but Vice Principals are needed to administrate, while their superiors are engaging with the faculty.

Also, the NJDOE M.O.S.S. Team considered Bayonne as a prime target for threats due to its proximity to New York, as well as our plethora of petroleum refineries. Therefore, we have extra safety concerns, but not the administrative support necessary to adequately address them.

Three years ago, our Administrators conducted 60 to 70 observations each, not including post- and pre-observations, stretching them even more on a daily basis. In the cities to our north and west, there are layers upon layers of program coordinators, supervisors, and directors.

We must schedule for PARCC, purchase 10,000 testing devices, and analyze data for over 10,000 students. At our last Board meeting -- this is the sad part of it -- seven administrators were rified; at this upcoming

February Board meeting -- which is next week -- 11 more Administrators are being erased. Also, we anticipate over 50 teachers being rified for the 2017-2018 school year, which will impact our remedial programs, as well as our high-level academic initiatives and programs.

Bayonne is in a serious structural budget crisis. It has caught up to us, ladies and gentlemen. All of our neighbors are adequately funded by the State formula; so one more time: So why not Bayonne?

We have hired additional special education certified teachers to create the least-restrictive environment for our special needs students. We can hardly sustain this in our budget as it now stands. We have 1,500 students who are classified as special education. Now we've been directed to hire additional Arabic, Hispanic, bilingual, and World Language faculty. We are in need of help to do this; our population has changed.

Eight years ago -- I want to repeat that -- eight years ago I pleaded with legislators to consider Bayonne as a non-Abbott district for funding. We mailed 10,000 letters -- 10,000 letters to the State Senate and Assembly, to no avail. Why wasn't Bayonne ever helped?

I am not asking for anything extra. I just see how other school districts are granted their fair share of SFRA stature. Why isn't this funding equitable? Again, those three words haunt me: Why not Bayonne?

And finally, I'm asking all of you, when will Bayonne kids ever count?

Thank you.

**LEO J. SMITH, Jr.:** Good morning, everybody.

My name is Leo J. Smith, Jr.; I am the Assistant Superintendent of Schools, for Business, for the great district of Bayonne, which has been championed by Dr. McGeehan, for many, many years.

I am not here to ask you to change the formula, to tweak the formula, to abandon the formula, to have Mr. Prieto's formula or Senator Sweeney's formula. I'm asking for you to follow the formula.

The formula, right now, as it stands -- Bayonne is annually \$10 million under adequacy. While our neighbors in the north enjoy former Abbott status, Bayonne has been left at the starting blocks, time and time again.

I don't want to take anything from Jersey City -- I see Mayor Fulop here, and Senator Cunningham; they do great things with their district. Hoboken was mentioned -- I don't want their money. I want you people to find the way to fund it fairly.

I can give you a couple of ideas. Number one, I can give you \$300 million right now. Don't do the State House; don't do it, don't renovate it. Come to John M. Bailey School, sit in my kindergarten in the basement, and then tell me if you need a \$300 million renovation to the State House of New Jersey, okay?

Come to Bayonne; look at that. .

On the way over, we were stuck in traffic on the Turnpike bridge. And I looked out, and I saw hundreds of thousands of containers coming in full; going out, probably, empty or half-empty. Why not a tax on every container coming into the Port of New Jersey -- okay? -- \$100 a container, funding educational needs. I think in 2015, the last year I had

figures, just for the Port Authority -- a little under 400,000 containers came in. There's another \$40 million that you can use.

PILOTS, abatements -- a developer wants to come in, no more PILOTS, SILOTS; Jersey City is doing it. A *school* in lieu of taxes, not a *payment* in lieu of taxes. Or get money up front from these mega developers. A \$40 million project? Take 10 percent off the top and give it to the local district. Boy, what I could do with \$4 million right now. There's a \$35 million project just unveiled in Bayonne, okay? What I could do with \$3.5 million; it would settle a lot of problems for me. But we don't get the funding.

Our demographic no longer stops at the city line. A decision was made, 35 years ago, not to include Bayonne because it might depress real estate values. Well, guess what, gang? We've been through that cycle of real estate; we need to address the issue -- not only for Bayonne, but for all of the underfunded districts.

I've given you some examples here. Go out and get the money for us, guys. It's that simple. You're all smart, you're educated. I don't have to go through the statistics of what our special needs population is -- it's 15 percent, by the way; so 1,500 students. Our ELL, about 9 percent. I don't have to give you all those stats and figures. You need to raise money for us. We need to continue to do the good job.

Think about the great experiences you all had in education. Don't our children deserve the same?

I want to thank you, today, for allowing me to come in and say a few words. And you have to excuse my passion; I love the City of

Bayonne, and I love my job. And our kids need to be treated as fairly as the rest of the state.

Thank you very much.

SENATOR SWEENEY: Thank you.

One second.

Anyone on the panel--

Senator Doherty.

SENATOR DOHERTY: Yes, I appreciate your passion as well.

Are you aware of a report written by Matt Boxer, the State Comptroller, a number of years ago, in which he pointed out the abuses of the tax abatement system in New Jersey; and how, when a tax abatement is given -- that it's only supposed to be given if the project wouldn't be done unless the tax abatement went into place? But that tax abatements are being renewed--

MR. SMITH: Right.

SENATOR DOHERTY: And they highlighted a big example in Bayonne, where this abuse is occurring. And when you give a tax abatement, according to Matt Boxer, in his report, the town -- the municipal government actually collects what they would collect, sometimes more--

MR. SMITH: Right, right.

SENATOR DOHERTY: The school district -- this is a crime, and everybody should know this--

MR. SMITH: Yes.

SENATOR DOHERTY: --the school districts collect zero, and the county collects 5 percent. So there's some shifting of the burden. And

Bayonne -- for a power station, gave sway a \$400 million tax abatement, meaning that the school district collected zero.

So I appreciate your passion--

MR. SMITH: It's a problem statewide.

SENATOR DOHERTY: -- but what is Bayonne doing to curtail these tax abatement situations that are outright abuse and ripping off the money from our school kids, so the mayors can make special deals with these developers?

MR. SMITH: Well, I--

SENATOR SWEENEY: Well, listen--

MR. SMITH: I think that might be where you people could come in and make legislation, so mayors can't make special deals.

SENATOR THOMPSON: It's your town, he's talking about.

SENATOR SWEENEY: Well, just--

SENATOR DOHERTY: It's your hometown

MR. SMITH: It's your state; it's our state.

SENATOR SWEENEY: Please, let's-- Listen, we're not going to have this.

But I'd like to say, part of this review that we're doing is looking at PILOTS and the implementation of PILOTS. And if local towns are not funding their schools, they shouldn't be allowed to cut the schools out of the funding; that's a big issue that we're all looking at.

If you're funding at your adequacy level-- And just so you know, stay the same, find \$300 million here. If we fund the formula -- which we can fund -- your district gets \$50 million more.

MR. SMITH: Right.

SENATOR SWEENEY: So we know the numbers. It's a matter of funding it.

MR. SMITH: Think of that; just think of that.

DR. McGEEHAN: Think about that.

SENATOR SWEENEY: Think of it as correct. And listen, the legislature's changes really made this difficult, and we're trying to address changes. But there are issues we have to address; PILOTs have to be addressed. Because if local communities are not supporting their school districts to the level they have the ability to-- Newark does not have the tax base; they do not have the tax base so we can't -- we have to help.

There are a lot of communities-- Trenton does not have the tax base; Camden-- You know, there are a lot of urban communities that don't have the tax base. But the point is, our school funding formula took -- in recognition, we weighted all of that. The school funding formula that we have weighted all of that. And, look, we have a plan to fully fund our school systems, and then it stops pointing fingers-- When you talk about other districts taking other people's money, we're not looking at that--

MR. SMITH: I didn't say that, Senator.

SENATOR SWEENEY: No, I'm saying your Superintendent-- What we're saying is, let's get everyone back to 100 percent--

DR. McGEEHAN: We agree.

MR. SMITH: We agree wholeheartedly.

SENATOR SWEENEY: --you know? And then there's no--

MR. SMITH: And if we go alphabetically, I know Bayonne will be at the top. (laughter).

SENATOR SWEENEY: Right behind-- Yes, yes; I was going to say, right behind Bridgeton, but that wouldn't be alphabetical.

Senator Cunningham.

SENATOR CUNNINGHAM: Thank you so much for coming and testifying.

One of the good things about coming out to have meetings such as this, is that we have an opportunity to hear what everyone else is going through in the state.

I know the wonderful work that you've been doing in Bayonne, Dr. McGeehan; and our Budget Committee, I believe, has been there before. We know the work that you're doing, and you're doing a great deal without a lot of help, and I do understand that.

Although I don't think that this is the place that we need to talk about possible PILOTs that the city may or may not have used for education, because that's not anything you can do anything about.

But I want to thank you both for your excitement for your passion, for everything -- no; it's okay to be excited -- for everything that you do on a day-to-day basis to educate your young people in Bayonne.

And this is why you're here -- to tell us what the problems are, and why you need help. This is the purpose of this, and thank you for participating.

DR. MCGEEHAN: Thank you.

MR. SMITH: Thank you.

SENATOR SWEENEY: Thank you, Senator.

Senator Pennacchio.

SENATOR PENNACCHIO: Yes, just one follow up.

You had mentioned-- Did you say you have 1,500 special ed kids in your schools?

MR. SMITH: Yes, out of a total population of about 9,800.

SENATOR PENNACCHIO: Okay.

Are there really 1,500 special ed students? Do you know what the census is, exactly?

MR. SMITH: It's 15 percent of the total population, Senator; yes.

DR. MCGEEHAN: Yes, it is.

SENATOR PENNACCHIO: Because there are quite a number of school districts--

MR. SMITH: And we only send 40 of them out of district. Think about that. We keep them in district to keep that cost down.

DR. MCGEEHAN: We educate them ourselves.

SENATOR PENNACCHIO: Well, I would love to see the State take over the entire responsibility. But there are a lot districts-- because that's just an assumption -- the 15 percent statewide -- that there are 15 percent special ed in all those districts; regardless of whether there is or there isn't, they are still being funded for it. So that's part of the formula that's being gamed, and I think we should be taking a look at it.

MR. SMITH: Right. And our extraordinary aid has progressively gone down over the course of the last four or five years. It's gone down exponentially.

SENATOR SWEENEY: We are well aware of the special education-- This panel, I think, is in total agreement on the special

education funding; that it's being underfunded and needs to be addressed now.

But, Senator Ruiz.

SENATOR RUIZ: Thank you.

Thank you, Superintendent; and thank you, Mr. Smith. Don't ever apologize for the passion that you have. We need more people like you, fighting on behalf of every child in the State of New Jersey. If that means advocating, opposing, screaming, crying -- whatever it is. I've been there, day in and day out. It's my love; it's what I'm committed to.

I do want to just pause for a moment-- And I know some of the conversation has digressed. But some of my frustration in State government is that we have conversations in silos. And we start pointing the finger at certain programs that then impact another program.

I would caution everyone to say that -- we continue to do great pieces of legislation that attract big corporate businesses to our inner cities, so that we get people to make the investments in areas where, perhaps, they would never have thought of coming into. And that's great for the town, it's great for future generations of students who graduate our universities, and it's great for the economy of the State of New Jersey.

So we need to really evaluate everything; but let's not rob Peter to pay Paul, and then end up back at square one where we create another avenue that we stretch down, and then we lose sight of what certain programs were intended for.

Thank you.

SENATOR SWEENEY: Thank you, Senator.

Anyone else -- a question for this panel? (no response) If not, thank you.

MR. SMITH: Thank you.

DR. McGEEHAN: Thank you.

SENATOR SWEENEY: Next, I'm going to call up Mayor Steven Fulop, Jersey City; and Ms. Hope Blackburn, General Counsel for the Jersey City Public School District.

Is she here?

UNIDENTIFIED MEMBER OF AUDIENCE: She just stepped out for a minute.

SENATOR SWEENEY: Okay; well, she can join--

**MAYOR STEVEN M. FULOP:** Fair enough.

SENATOR SWEENEY: Mayor.

MAYOR FULOP: All right.

I want to thank the Senator President, and the Senators who are here today, for taking on this important issue of school funding.

As a matter of fact, I believe there is no issue more important facing the future of New Jersey than making sure each and every child in the state receives an adequate opportunity to reach their full academic potential.

The details regarding perspective funding plans have remained vague; and other than sound bites or talking points, little information or details have been provided. What I've garnered, from the limited press releases and talking points, is a commitment from this body to move towards 100 percent funding the school funding formula within a goal of

five years for each municipality; and there is discussion around eliminating existing enrollment caps.

For the record, I am 100 percent a supporter of funding of the school funding formula; but I would ask, today, simple questions on how you wish to achieve this. And hope today I can outline some simple facts and correct some misinformation with data from independent, nonpartisan sources.

Prior to today, I'll point out that in the limited information provided to the public, I've heard from countless mayors, as well, regarding commitments made to these mayors about the amount of funding that their schools districts would positively receive if they support some of the nondescript proposals coming from Trenton. This misinformation isn't uniquely provided to mayors, though. We've also heard Senators and Assemblypeople make comments -- publicly, in press releases -- promises to municipalities in public that fall on the face of reality.

For example, I'm providing, as Exhibit One, a press release from Senator Nilsa Perez that provides and outlines false commitments to municipalities, based the current vague proposals you have all discussed. She outlines promises -- upwards of \$600 million -- to just a handful of municipalities, that I'm sure, if you included the entire State of New Jersey, we would be upward of \$1 billion; while only outlining her funding source as adjustment aid, which we will discuss shortly.

The math doesn't add up; as even if you pushed for this one change and the courts allowed it, the promises don't equate nearly to the adjustment aid reduction.

The only proposal so far made public has been the elimination of adjustment aid. However, when you look at the dollar amount of adjustment aid, versus the promises you have made to the press, those two numbers aren't reconciled. I think the public deserves to know how you intend on achieving this goal.

I will also point out that some of you have made statements in the press -- and at this very podium -- and I quote, "I can't imagine anyone losing if we fund the formula at 100 percent." That is also an obvious misleading statement, and the public deserves to know what you mean. I think logic would indicate that if your goal is to fund the formula fully, with every municipality at 100 percent, you should be straightforward with the 371 municipalities in the State of New Jersey that are over adequacy per the Education Law Center. Each and every one of these 371 municipalities would all receive a massive tax increase and a reduction in funding on day one. That's 300 municipalities in each of your respective districts -- could be crippling. And I'm certain you know this.

I'm not making these numbers up, as here's a list of each of your municipalities that will receive a tax increase -- per the nonpartisan ELC -- in the existing school funding formula. Each of these districts are overfunded, meaning each of these districts are receiving more money than the formula indicates they should receive.

I wish to add this list to complement my comments as part of the official record of this hearing, so you have been made aware; and that will be Exhibit B.

There is also a lack of clarity from you with regards to what municipalities would do with the windfall of money you are promising to

each. Would they be required to hire more teachers, as Bayonne would like to do? Would they be required to build new schools? Or would the dollars go to property tax relief, meaning that the children would never see any benefit from these changes? This is an important point to clarify for the public as well.

Specifically, on the current proposal for adjustment aid, elimination of adjustment aid without adjusting, at the same time, the funding source for fully funding the formula at 100 percent -- as you have all indicated-- I will point out that the biggest receivers of adjustment aid in the State of New Jersey are Irvington, East Orange, Trenton, Camden, Asbury Park, Newark, and, of course, Jersey City. There is a clear common thread in each of these cities that you would be reducing funding to with your proposal of elimination of adjustment aid; and it is clearly an attack on poorer, predominantly African American, Latino, and minority communities. The vague proposals, as they stand now, means that you would essentially be shifting money from these poorer minority districts into wealthier suburban, Caucasian districts.

The facts are the facts, and I submit to you Exhibit C, which is your own budget last year with a list of adjustment aid municipalities, so you can be clear on who, and the demographics of each municipality you would be penalizing and targeting.

This brings me to Jersey City, specifically. Our school district is approximately 70 percent free and reduced lunch, per the State Department of Education; which means it clearly has been protected by the State Superior Court, in ruling after ruling, because it classifies as one of the poorer school districts in New Jersey.

Furthermore, per a letter sent to Senator Sweeney and Speaker Prieto from the Education Law Center, it corrects misinformation that has been promulgated by the State Legislature. Jersey City, specifically, per the funding formula -- that many of you voted to approve yourselves -- is \$99 million underfunded. So we would stand to get a windfall of benefit, should you fund the districts at 100 percent, as you propose.

Even though Jersey City would benefit from your changes, I urge you all to be careful. Because the 371 municipalities that you would deliver a tax increase to would surely want to be aware of any proposals now to reduce them to 100 percent; and the concern is that the vague proposals I've heard today penalize poor, minority districts and shift dollars, again, to wealthier suburbs -- something I think I, nor many residents in New Jersey, nor your constituents could every support.

Finally, some of you have mentioned tax abatements or incentives that municipalities provide. Jersey City, Newark, Camden, and many others have used the tools within the framework that have been provided by law -- that you all provided. It is the framework that you all provided that we use every single day. It would reek of hypocrisy to penalize hundreds of municipalities -- and many poor municipalities -- for using the tools that were provided by you; while at the same time, as hurting minority districts, the same legislators in Trenton are approving billions in corporate welfare.

I am sure you can see the problems with the argument; and some of you have made that regards to fairness.

As a Mayor who has used these tools, I will go on the record that I would be open to changing these laws, going forward, and would be

happy to work with anyone on this. But looking backward to hurt municipalities that legally used the tools you provided would have major issues, both legally and ethically.

So as the Jersey City Mayor, I am in full support of changing the tax abatement laws, going forward. I'm in full support of any additional funding for Jersey City, which we would surely get if you fully funded the formula. However, I do recommend a more thoughtful and careful approach, with more information on different proposals that have been put in the press, so you don't help affluent areas, less in need, at the expense of the most needy children in the urban area; while at the same time, in doing this backward redistribution, you'd be delivering a tax increase to 371 municipalities in the state.

These are not my opinions; these are facts, based on information that you all voted on, and the comments you have made in the press.

So thank you for your time, of course; and I will provide copies of each of these, so you have each of those in your respective districts -- the list of municipalities that are overfunded.

SENATOR SWEENEY: Mayor, thank you for that.

And if you can stay, because after the Counsel--

MAYOR FULOP: Yes.

SENATOR SWEENEY: --there are plenty of questions.

MAYOR FULOP: Yes.

SENATOR SWEENEY: And we will answer every one those to you.

MAYOR FULOP: Okay.

**H O P E B L A C K B U R N:** Good morning.

I'm Hope Blackburn; I'm General Counsel for the Jersey City Public Schools.

And much has been said, and written, about the current funding of the Jersey City Public Schools, which is the second-largest school district in the State; and a district which is currently under partial State operation, but which has been under some form of State operation for the last 27 years.

Significantly, much has been left unsaid. The Jersey City Public School's budget is \$172 million below adequacy. With the additional adjustment aid received, the District's adequacy funding is reduced to the levels provided by the Mayor.

The adequacy funding is the amount the State determines is necessary to provide a thorough and efficient education for our students. The adequacy calculation was developed by State Professional Judgment Panels, adopted by the Legislature, and upheld by the Supreme Court of New Jersey -- albeit reluctantly -- based, in large part, on the State's express representations to fully fund the SFRA formula.

Far from meeting that promise and mandate, Jersey City school funding not only fails to comport with the formula but, more astoundingly, a massive deficiency exists even with the additional \$114 million in adjustment aid provided by the State.

Our District is charged with the responsibility of educating approximately 28,000 students. Our student enrollment is more than that of Hunterdon and Sussex counties. It is also more than the combined total enrollment in all Salem and Warren counties.

The enrollment number consists of 3,500 students with limited English proficiency; and approximately 21,000 at-risk students. Were the approximately 4,600 special education students in a stand-alone school district, it would be categorized among the largest school districts in the state, and would be roughly the size of Mount Olive Township.

Our students are truly diverse, symbolically reflecting the geographical proximity to the Statue of Liberty and Ellis Island. Forty-four different languages are spoken, resulting in significant expenditures to address the cultural and multilingual needs of our students and our families that is required by Federal Civil Rights legislation and the United States Constitution. Thirty-eight percent of our students are Latino, 29 percent are African American, 18 percent are Asian/Pacific Islander, and 13 percent are white.

Our 40 buildings are old, expensive to operate, and significantly in need of major capital repairs, necessitating \$600 million in unfunded capital repairs lately; 26 of our buildings are over 80 to 100 years old. Classes are held in scores of trailers throughout the District.

The District's budget is on the brink of collapse. To paraphrase the Supreme Court, this horrible funding gap, even after the adjustment aid, results not in some "minor infringement of the constitutional right, but a real, substantial, and consequential blow to the achievement of a thorough and efficient education" for the children of Jersey City.

It is imperative for the school district that all of the current level of funding be maintained.

SENATOR SWEENEY: Thank you.

I want to start off my clarifying something.

Newark doesn't get adjustment aid. Are you aware of that?

MAYOR FULOP: According to your budget last year, Newark received \$12 million; if you look in--

SENATOR SWEENEY: They don't get adjustment aid.

MAYOR FULOP: Senator, if you look in your--

SENATOR SWEENEY: That was not -- not as adjustment aid.

MAYOR FULOP: Senator, if you look at the State--

SENATOR SWEENEY: Not as adjustment aid.

MAYOR FULOP: If you look at the State website--

SENATOR SWEENEY: Not as a net.

MAYOR FULOP: If you look at the State website--

SENATOR SWEENEY: Mayor, not as-- The State website, we will tell you, is not that great, and it was not net.

MAYOR FULOP: I can tell you what the public information is, Senator; and it's out there.

SENATOR SWEENEY: Well, Mayor, a couple of things--

MAYOR FULOP: It's out there; \$12 million.

SENATOR SWEENEY: A couple of things why people are talking about this.

You're right; you're underfunded. Your district is underfunded; but you wouldn't get any more aid because, locally, you underfund -- the local tax base underfunds the school district by \$200 million. You're funding your districts at 36 percent.

And when you look at abatements -- and this is why I think a lot of people were getting angst about abatements -- abatements are a very worthy tool that are needed, especially when communities need to get

reinvigorated. We know what the Jersey City of 30 years ago was; but it's not the Jersey City of today. House values are above \$100,000, I think -- per capita above average in the state; so figure at \$400,000. So when you look at it -- when you look at it holistically, you know, the school funding formula is actually overfunding-- I've talked to Mr. Schaer about this. Our share is overfunding your under adequacy spending because you, locally -- the city of Jersey City is underfunding the school district because you're only funding it at 36 percent of the responsibility of the City.

You know, the abatements are great; they work. Things are getting better. But at some point, local communities have to start picking up.

And as far as the alleged fairness of 100 percent -- it's not; we did lay it out. You can move, over a period of five years, you know, not all \$600 million, but you can move some of those funds where the students are. Two districts that are underfunded, add \$100 million a year and you can get to full funding.

Now, we've run the numbers; we've run the numbers over and over again. We can-- Could we be off-- Now, with special education funding, that's going to add another burden. Special education funding is probably going to add another \$200 million to the mix -- to fully fund special ed funding.

But believe me, I didn't come here to pick on Jersey City at all. I'm just pointing out that we will answer all your questions, because I think some of your information is wrong. That's just my personal opinion; but anyone up here want to -- any questions?

MAYOR FULOP: Sir, may I comment on that; could I correct some of--

SENATOR SWEENEY: Sure.

MAYOR FULOP: So let me start by reiterating that -- pointing to a waterfront, and classifying the entire city being indicative of the waterfront, is grossly unfair. And I would urge you all to come visit us personally, and you can understand better some of the challenges that exist there, and what our demographics look like.

With regards to adjustment aid: Again, it's not for me to go back and forth; you can look on the State website and pull that data yourself. It is clear as day there.

With regards to the tax abatement rules: Jersey City should not be penalized for using the same rules that you put in place. Furthermore, when you provide billions of dollars in tax corporate subsidies, you cannot cry poverty; it reeks of hypocrisy.

Finally, with regarding to what we are funding -- we have increased our funding by 29 percent since 2009; and, again I've provided you all a letter from the ELC -- I didn't write it; it's an independent nonpartisan entity that corrects a lot of that misinformation out there. The courts have been very clear on this. And so I just caution you to be careful; and then, again, we are not discussing the 371 districts in each of your municipalities that are overfunded, overadequacy. And what would happen to those -- because it is fair and reasonable to say that a reduction would happen in State funding somewhere to them, of course; because you would need them to be at 100 percent. Why should anybody be over adequacy? Common sense prevails there.

SENATOR SWEENEY: Mayor, just so you know, a lot of those overadequacy funding districts are because the local taxpayers are overfunding them. The local taxpayers made the decision to overfund.

MAYOR FULOP: Yes.

SENATOR SWEENEY: So that was a decision made locally.

And I'm going to open this up to others; but just for a fact -- Jersey City is the fifth-lowest supporter of their schools in the state. So just so you know.

And listen, I'm not going to debate, me and you--

MAYOR FULOP: Yes, okay.

SENATOR SWEENEY: --because we both agree we need to get to 100 percent funding. So who says we would never agree, right?

MAYOR FULOP: There you go; that's right, that's true,

SENATOR SWEENEY: But Senator Pennacchio wanted to jump up in here, and then we'll--

Let me-- Let Senator Cunningham, go first, if it's okay; because she represents the District.

SENATOR PENNACCHIO: Ladies first.

SENATOR CUNNINGHAM: Thank you.

First of all, Mayor, thank you for coming and explaining a little bit about the abatements and the PILOTs.

You know, Jersey City is the tale of two cities. If you come to Jersey City and you're in the downtown area, you see something very beautiful, and very nice, very affluent. However, a few miles north of that, you see a completely different Jersey City. You see an area that is poor; you see people who don't have jobs; you see people who have housing that you

do not want to live in. You see children whose father or mother may or may not be incarcerated and not at home with them; you see grandparents in their 70s raising young children.

This is the Jersey City that I see every single day. These are the kids who I know need all the help that they can possibly get.

And for anyone to think that this happens everywhere -- I don't know about everywhere, but I doubt it. It's very different.

So when we talk about Jersey City and funding, let's talk about the entire city, not a portion of the city.

We have, here, the attorney for the Board of Education. I just wanted you, Hope -- just to elaborate a little bit about who these kids are who we're fighting to keep funding for.

MS. BLACKBURN: Well, to go back -- one of the things that we have are-- We have a huge special education population. There are over 4,600 students in need of special education services; 21,000 of our students are classified as *at-risk* students. On any given day, there are horrible stories of having to call DCF because of children in dire need. It happens on a quite regular basis. There are instances where we have had students with shootings that have gone on just outside of our school districts.

The student population that's educated by the school district is not necessarily those from downtown. While there are some -- and there are more than there used to be -- there are still predominantly children from Greenville, from Bergen-Lafayette, who are being educated and who are in absolute need of every dollar; and actually could use the rest of the \$90 million that we don't have.

SENATOR SWEENEY: Senator Cunningham -- still?

SENATOR CUNNINGHAM: No, that's--

SENATOR SWEENEY: Okay.

Senator Pennacchio.

SENATOR PENNACCHIO: Thank you, Senator.

The name of this Committee is called *Select Committee on School Funding Fairness*. I have a couple of points, and I just want you to address them.

MAYOR FULOP: Yes.

SENATOR PENNACCHIO: Again, it's not any criticism directed at you. You are a good Mayor; actually, I love visiting the City, I love coming into New York. I'm a City boy; I was born in Brooklyn. There is a certain charge you get from the City.

But there are a lot of problems that come with being Mayor; there is a lot of adversity, a lot of social issues. I get that. There's nothing like walking down the block in the City.

You had mentioned-- The word *affluent* came out of your mouth. And we understand that -- you mentioned 70 percent of the kids in Newark receive a base -- I guess poverty level, based on breakfast or lunch being handed out to them.

But there are some areas where that's not true. You have some very expensive areas along the coast, okay? Do you think that it is fair-- And by the way, I'm not criticizing you; I'm criticizing this particular aspect -- the tools that you're given, and you're using those tools to advocate for your citizens. But I want you to understand what I'm seeing. You can live in Jersey City in one of those beautiful -- either brownstones or high-rises; very wealthy, very expensive. You can get into your Mercedes Benz and

you can drop your kid off to some State-sponsored, State-paid pre-K program. And the State picks up the tab.

I promise you, Mayor, there are single moms in my District who are struggling, who, if they wanted to put their kids in a pre-K program -- they can't avail themselves of those issues.

So what I would like to see as part of that formula -- I'd like to see that means test (indiscernible) kids that truly deserve it; we prioritize them, obviously. But the kids who truly deserve it -- those single moms, even working-class families that truly deserve it in all the districts throughout the state -- they're treated no differently and as fair as some of the kids that you're treating, throughout your entire City, regardless of how much money they make.

Can you just comment on that?

MAYOR FULOP: Yes. I would have to, obviously, see the details.

But fundamentally-- First, let me start by saying that classifying that a parent is getting in their Mercedes and dropping off -- I think isn't representative of the entire City. But I understand that's an isolated--

SENATOR PENNACCHIO: I never said it was.

MAYOR FULOP: So do I think that the pre-K situation -- the funding in urban areas -- should be visited and-- Yes, absolutely. Do I think that there have been some abuses within the predetermined Abbott districts? Yes, I would agree with that. Do I think that what you touched on -- some of the special needs issues -- should be visited? Yes, I do. However, the thing that concerns me the most is that some of the dialogue

and rhetoric that has come from Trenton -- not only this Committee, but some of the stuff that I've provided -- seems to target funding or tools that were provided by all of you. And that route doesn't seem really fair or straightforward.

So I do think some of those things should be visited.

SENATOR PENNACCHIO: Again, being a good Mayor, you're making good use of whatever tools we did provide you. But you're also making good use of a tool that the State does not provide. It's my understanding when you do have an abatement or PILOT, all that's needed is -- not permission from the State, it's just passing a resolution. Is that true?

MAYOR FULOP: Well, you can pass a resolution. We use ordinances, so there are two public hearings on it.

SENATOR PENNACCHIO: Right. But you don't require, like, support from DCA in order to do that?

MAYOR FULOP: No. The-- Correct.

SENATOR PENNACCHIO: Okay, and then the angst -- the angst that we have -- because we don't do that in my Districts; at least I don't have knowledge of that -- is that the (indiscernible) that I've heard along the coast -- a billion dollars' worth of property are part of PILOTs; roughly \$130 million going to Jersey City; I think \$5 million going to Hudson County. But none of that being part of the school funding formula.

Now, when we talk about-- And I'm going to call it *gaming the formula*, okay?

MAYOR FULOP: Yes.

SENATOR PENNACCHIO: You could be gaming; but it's totally within your legal rights, because nobody is telling you you can't do that. But that's the stuff that my constituents take a look at, okay? And say, "Wait a second. What do you mean you're not capping all those big, beautiful high rises and that big, beautiful city -- in Jersey City?" And they get upset over stuff like that. And then they depend on people like me to point that out.

MAYOR FULOP: Senator Ruiz made a point earlier about a lot of different issues, and comingling them. And those tools were put in place as economic engines and economic catalysts to create jobs. And I think it's fair to say that places like Jersey City and Newark have employed disproportionately high numbers, relative to any other municipality in the State of New Jersey. And so we use those tools, and we shouldn't be penalized for it. If you want to go revisit that, going forward, as I touched on in my comments, I would sit at the table and be part of that conversation. I have no problem with that whatsoever. But to penalize us, in hindsight, for tools that you provided, or look at what we're funding or not funding, I would have a real fundamental problem with that. And I think there's an ethical issue there.

SENATOR PENNACCHIO: Again, Mayor, they were your tools--

MAYOR FULOP: Yes.

SENATOR PENNACCHIO: It was our absence of oversight, quite frankly, that caused that to happen. But now, coming back and saying, "No, we think that's part of gaming of the system. We don't think it's fair." At that point, it's not that you're right or I'm right--

MAYOR FULOP: Yes.

SENATOR PENNACCHIO: --it's something that, as we're addressing, we may come to some type of consensus that we certainly have to look at.

MAYOR FULOP: Fair.

SENATOR SWEENEY: Okay.

And I want to correct one thing, Mayor.

I was wrong; Newark does get \$14 million. But they're underfunded by over \$100 million. They would not lose, they would gain; they would have an enormous gain of funding under this. In fact, it's closer to \$130 million. Just so you know.

So I was wrong--

MAYOR FULOP: Do we have that taped -- it's videotaped?  
(laughter)

SENATOR SWEENEY: Absolutely, absolutely. As you were wrong on several things that we will clarify in a letter back to you.  
(laughter)

SENATOR OROHO: Touché.

SENATOR SWEENEY: But with that, Senator Oroho.

SENATOR OROHO: Yes.

SENATOR SWEENEY: Senator Oroho.

SENATOR OROHO: Senate President Sweeney, thank you very much.

And one of the things -- we've talked a lot about adjustment aid, and we all have to remember when-- Now, I wasn't in the Senate at the time, but I would've been a "no" vote on the formula itself. And the

adjustment aid -- so let's all realize -- it was a plug number in the formula; it was a plug number, so that there would be no losers, essentially.

But anything we come up with has to be fair, simple, and accountable. Because, quite frankly, the formula -- as it stands right now -- has allowed too many tough decisions to be delayed, almost forever.

We talk about different areas of the state; and maybe we all have different views or different perceptions of what those areas might be. I think we'd be very surprised to find out we all deal with a lot of the same problems. You think out in the rural areas of Sussex County that we don't have the problems. Well, I will tell you right now: We have 19 food banks in Sussex County alone. My wife volunteers at one, probably 30 hours a week. This one food bank feeds 1,100 families a month, and does 500 backpacks a week for students who don't have enough food. That's just one of the food banks.

So I think one of the things we have to acknowledge is that we all deal with a lot of the same problems, no matter where we live in New Jersey. But we have to make sure we get down to a formula that-- And Mayor, you're right. A lot of the things that came out of Trenton end up allowing the formula to be manipulated because of other things that have been put in place. Or regulations that come out of Trenton -- like the Highlands, the Pinelands. Whether it be PILOTs or whatever -- unfortunately, we need to have a formula that is fair, simple, and accountable.

But I just wanted to make-- Listen, we all deal with the same problems, whether it would be in Sussex County, Salem County, Atlantic

County, Cape May, or whatever. And I think we all want to get to -- let's have a great education system for everybody.

MAYOR FULOP: Yes.

SENATOR DOHERTY: Sir--

SENATOR SWEENEY: I have a quick question.

Knowing what we know now -- as you said, we put the rules in place. Knowing what we know now, knowing that-- Would you change the way you do abatements to fund schools now, to give schools their fair funding portion? Because Jersey City is doing extremely well, and you should be very proud of it; you've had a lot to do with that; as Glenn Cunningham had, and other Mayors have. But at this point, would you be open-- I guess my question is, ensuring -- that since you are under -- not you, personally--

MAYOR FULOP: No

SENATOR SWEENEY: --but the City of Jersey City is underfunding their school district, only funding 36 percent of what the State feels it can pay, would you be supportive-- Because I don't believe in doing away with abatements--

MAYOR FULOP: Yes, yes.

SENATOR SWEENEY: --providing that, when you do an abatement, that you take knowing that you're underfunding--

MAYOR FULOP: Yes.

SENATOR SWEENEY: --that Jersey City is underfunding the school district; that they would ensure Jersey City would get their portion -- their equitable portion of an abatement, going forward.

MAYOR FULOP: Yes. I think that, looking forward -- obviously you can't correct what's been done for 25 years--

SENATOR SWEENEY: Yes.

MAYOR FULOP: --but I think it's reasonable. Part of the issue today -- and I could probably speak on behalf of previous Mayors on this -- is that the dollars would go down into Trenton, and you would never even know if it comes back, because you were mandated by a specific formula, ultimately. So dollars would come back to Jersey City, regardless if Jersey City's previous Mayors or myself put in \$2 or \$20 million.

So yes, over time, I think that we should be putting in more dollars via those tax abatements; I think that's more than reasonable. And I think that you, over time, should gradually, as those go in, reduce the payments so that way it works out and it's not so drastic. I think that's perfectly reasonable, and something that everybody could live with.

I will point out to you that we have tried to use those tax abatements to also build structures in schools. I mean, we announced last week -- or two weeks ago -- a construction of a new school in a high-rise building that would be \$30 million to construct, if we were to do that today, in an area of need. It's going to be a traditional public school, and we used incentives -- those PILOTs and tax abatements -- to achieve that.

So I would say that while you may not see the exact dollars going into what you would deem as the appropriate place for it, we are trying to use the tools that you gave us in order to offset some of the costs, not relying on you entirely.

SENATOR SWEENEY: And Mayor, that's actually worthy to note that that's being done. But also, if it's a 30-year abatement, and the

school district would have gotten \$40 million instead of \$30 million -- and I'm saying this is hypothetical -- then it's not as good; the school district should get their fair share of their money, and then they can determine what's needed to do with their dollars.

Again, I'm going back to-- PILOTs are absolutely necessary to help communities get moving. Jersey City and Hoboken are success stories; it worked, you know what I mean? Really, it is -- it's wonderful how well those two communities are going. And there are-- Believe me, I know Jersey City has many troubled areas. So it's not the whole city, you know?

But where they can afford to start paying, they need to start adjusting.

MAYOR FULOP: Could I just correct-- And this is part of the reason for the testimony, is when people say Hoboken and Jersey City are doing great, right?

SENATOR SWEENEY: Yes.

MAYOR FULOP: It's a very different city, a very different demographic, a very different size. And it's not fair to Hoboken or Jersey City when you lump them together.

So again, I'd urge you to all to come visit, and you would see, first hand, some of the challenges that we have that are different than Hoboken. But I just would caution you that every town on the waterfront is not exactly the same.

SENATOR SWEENEY: Understood. And Mayor, one last point; and I don't know if anyone else wants to talk--

SENATOR DOHERTY: Yes--

SENATOR SWEENEY: --one last point. This is where -- whether it's real or not, fair or not -- when you can buy a house in Jersey City and pay \$10,000 in property taxes, and it's a million-dollar home; and that same million-dollar home -- if, where I live, the property taxes are \$30,000. That's the rub. Whether it's fair or not, do you know what I'm saying? That's the initial reaction people say, "Wait a minute. How can this be that you can have a house anywhere in New Jersey for a million dollars, and pay \$10,000 in taxes?" And I know you're going through a re-val--

MAYOR FULOP: Yes.

SENATOR SWEENEY: --and a lot of that will be addressed with that. But, you know, that's what people -- it gets their attention.

MAYOR FULOP: So I think we're, again, comingling different issues. Because the re-val, ultimately-- And what you point to is probably -- I'm sure, Senator, you're going to point to my house, maybe, right? (laughter)

SENATOR DOHERTY: Not today. (laughter)

MAYOR FULOP: But the-- What I would highlight is that we're one of 25 municipalities in the State of New Jersey that haven't done a re-val in 20-plus years, okay? There are probably more than that; the *Star-Ledger* reported that was the number amount.

If new construction is built in Jersey City today, a new construction -- let's say, call it a *row house* or a *brownstone* -- and it's assessed at current market conditions, because it's not old housing; and it sells for \$1 million, that person is paying property taxes upwards of \$20,000. The re-

val is going to correct that for all of those different areas. Like, my taxes will go up drastically during that re-val.

So when you point to the re-val and that somebody has an \$800,000 or a \$1 million house, and that's the reason that there's gross discrepancy, it's not really fair to point to that, because this re-val will correct that without increasing the tax levy overall. It just will distribute it differently.

SENATOR SWEENEY: Does someone--

SENATOR DOHERTY: Yes.

SENATOR SWEENEY: Senator Doherty.

SENATOR DOHERTY: Yes.

Thank you, Senator Sweeney.

Semper Fi.

MAYOR FULOP: Hoorah.

SENATOR DOHERTY: My son was in the Marines as well, as we talked about.

I appreciate your advocacy for Jersey City; and standing up for your town and taking advantage, legally, of what exists out there. And I appreciate your comment that you think that, perhaps, there needs to be some reform with the tax abatement and PILOT program. There are a lot of inequities developed.

I agree with you on corporate welfare. I opposed the Revel bailout; I opposed the bailout at Xanadu, now called American Dream. It's outrageous that we're giving over \$1 billion of tax breaks to a Canadian private developer to build a mall. And the taxpayers of New Jersey have to pay back those development costs, actually -- that over \$1 billion.

So I think, obviously, Jersey City has pockets of poverty; some substantial poverty. It's the folks who aren't poor in Jersey City that upset me the most. So you're against corporate welfare, I'm against corporate welfare. This, in my opinion, Mayor -- what's going on -- PILOTing buildings, tax abating buildings for very wealthy people who are moving into those buildings -- is really a form of corporate welfare for individuals who are doing very well.

And I really don't represent the interests of Trenton; I represent my constituents from Bound Brook, and Hackettstown, and Bridgewater, and Phillipsburg. That's who I represent. And I have, as Senator Pennacchio and Senator Oroho said -- you know, believe it or not, there is substantial poverty in suburban and rural areas. And the economy -- we're in a death spiral. We are so close to Pennsylvania that they're not stopping; they're just going to Lehigh Valley and taking our lunch. And we're losing our jobs.

And I'm glad you're sensitive to the PILOT and the tax abatement program. You know, there's legal and what's legal to take advantage of. But at some point, when people are advised how the municipal government can actually collect more -- the town gets more under these tax abatement programs; how the county only gets 5 percent of what it would collect; and the students get zero, when these tax abatements are given away -- then it becomes a moral question.

And knowing this, morally, are we going to continue to give away these tax abatements, knowing that the school district -- in whatever town -- Jersey City -- gets zero? And I think what's happening now is we're protecting very wealthy people who happen to move into towns like Jersey

City; that they can buy houses for \$1 million and pay a fraction of a fraction of what suburban folks would pay.

And we're actually protecting-- It's corporate welfare for individuals, is what's developing in the State of New Jersey. And I am outraged that the State has allowed this to occur and continue for so long.

And so I think that's the focus. My constituents, in a similar house, are paying significantly more. I represent Hackettstown; it has a lower per-capita income than Jersey City. Yet it receives one-fifth the amount in student aid that Jersey City does. People who own houses in Hackettstown -- according to the numbers I ran -- are paying 64 percent higher in property taxes. So they're getting less than one-fifth the amount; they're paying 64 percent more in property taxes; and it's really going to bail out a bunch of rich people who have moved into Jersey City in the last couple of decades. And so it's a moral issue now to continue to allow these folks to really skirt their obligation to society.

So that's where I'm coming from, representing my constituents. And I look forward to working together with you to reform this tax abatement program that exists.

And one final thing, Mayor. When we have all these education law suits -- the *Abbott v. Burke* law suits -- you have to understand when tax abated properties are given -- when the tax abatements are given -- that those numbers -- those real estate values are wiped off the books. So when they go to the Supreme Court and the Education Law Center makes those arguments, and you've given away tax abatements, they are actually committing a fraud on the entire State of New Jersey, reporting much lower real estate values than actually exist in that town.

And so what's legal, that's fine. But because it's legal, does not mean it's moral -- now that we know about some of the inequities that occur because of this.

MAYOR FULOP: I just want to correct what you pay -- a million dollar house in Hunterdon or Somerset County, versus what the number would be in Jersey City. We're comingling issues, again, on that reval -- and new construction housing in Jersey City pays \$20,000, and the reassessed properties the same. So I think that's important to correct.

As it relates to shortchanging the school district -- again, you know, the school district -- whether it's Newark, or Jersey City, or East Orange -- have been protected by the courts, time and time again. We are not-- We could use more funding, because we feel like we're underfunded. But we've worked within that framework.

Regarding the Hackettstown example: I just want to reiterate the point that all these municipalities that I've provided you get some sort of aid; and a lot of them -- some of them opted to pay more and overfund or over adequacy. But the hope is that, clearly, if they are over adequacy, then you would cut their aid the same way you're looking to cut urban areas like Camden, and Jersey City, and Newark; logic would say that, if everybody is at 100 percent. And so I would just caution you to be careful on this.

And finally, on the tax abatement thing -- inclusion -- I assume you're the last one who's going to ask about this, though -- I'm open to having you visit; I will walk you through exactly the process that we go to in order to come to the conclusion of a tax abatement. It's important to point out that a lot of those high-rise buildings that have been constructed there

-- a lot of them are one-bedroom or studio apartments; that a lot of them do not have children in the school system. It's not a blanket-all statement, of course; there are some. But if you see a 400-unit building go up on the waterfront, it certainly doesn't have 400 families that are going to stay through the duration of a school system. So there's a give-and-a-take there, ultimately.

And if you just want to be part of the conversation, I'm more than happy to. The part of the abatements and PILOT programs have been about job creation, and they've been successful in that way, in helping the entire State of New Jersey. So there's a balance there. That's your job, ultimately, but--

SENATOR DOHERTY: Yes.

SENATOR OROHO: But every state has a -- every county has the same thing.

SENATOR SWEENEY: Senator, it was Senator Doherty; and then I'm going to say something, and then Senator Thompson.

SENATOR DOHERTY: Okay, I look forward to working with you on those issues, Mayor.

And you have to understand how -- when I represent constituents who are getting one-fifth the amount in school aid, even though the per-capita income in that town is less; and the person with the same value of a house is paying 64 percent more in property taxes -- I have to represent my constituents as well.

MAYOR FULOP: Sure.

SENATOR DOHERTY: To point out -- if we're going to have a policy decision, we should base it on all the facts.

That was it; yes.

MAYOR FULOP: I appreciate that.

SENATOR SWEENEY: And Mayor, just to set something really clear. We're not cutting school aid. Our focus is to get to 100 percent. And nowhere-- And I would urge you to go read the school funding formula. Show me where adjustment aid and enrollment caps were inside the formula. They were not. That was a political decision in order to get enough votes to pass it.

If we had run this formula, you as a Mayor, I am sure, being a responsible Mayor -- would have made sure school districts-- I mean, the school district was getting its share, because you'd have to, right? This is not a knock on anybody; this is righting the ship and correcting it.

We're not cutting funding. We're talking about getting to 100 percent funding. And if you say my numbers are wrong, show me; I'd be happy to look at them. But the goal is for everyone to get to 100 percent funding. If we took enrollment caps and adjustment aid off -- if we took those two things off, everyone would be underfunded (*sic*) by about 85 percent of school funding. I could be off a percent to two. Everyone could be equally funded. And you wouldn't have people saying, "Look at Jersey City," or "Look at Hoboken," or "Look at this one, look at that one." No one would be doing that for one reason: Because we're all in the boat together.

Right now, a creation of the Legislature-- We were in Bergen County last week, where we were in a school district that's getting funded by 13 percent of what they're entitled to. Another district testified they were getting 16 percent of what they're entitled to. And then you have

districts -- and I use my home county; this is the easiest example for anyone to grasp -- I have a school called Washington Township; the town of Washington Township. They are getting funded for 3,500 students in their high school, and they have 2,300. How you can rationalize that as being fair, when I have another District, Kingsway, that has 1,000 students who they get no aid for?

MAYOR FULOP: Yes.

SENATOR SWEENEY: Are you following me?

MAYOR FULOP: Yes.

SENATOR SWEENEY: If we just left the formula alone; if the Legislature didn't screw around for political reasons -- because we couldn't pass it; we couldn't pass it -- so we put these two pieces in place for two to three years -- my recollection was two years. It wound up-- Well, it's nine years later; eventually, we have to give it up. And we want to do it over a five-year period, so that we give communities the chance to adjust.

You know, I don't know how it impacts Jersey City; we have to look at that. You have very poor sections of Jersey City. We can't put people out of their homes, you know what I'm saying, Mayor? So we have to look at this globally, and we will.

MAYOR FULOP: If there are-- All those municipalities receive some sort of aid. And if they are over adequacy, it's reasonable to say that you should bring them to 100 percent.

So my point on this -- and I want to highlight that point -- because that would equate to a tax increase. So nobody should be held harmless, if you're recalibrating the relationship with the State to get everybody to 100 percent.

The only other thing I want to tell you about the adjustment aid -- because you guys target that, and you discuss that a lot -- is that, look at the intent when it was made. Just look at the list of people who are funded there.

SENATOR SWEENEY: Mayor--

MAYOR FULOP: There is a common thread through the whole thing.

SENATOR SWEENEY: Mayor, I can tell you the intent. We couldn't get the votes. It was a deal to pass it, because we couldn't get the votes. It was supposed to be temporary.

And you know, the districts that are over adequacy -- most of them are local taxpayers paying close to a billion dollars more than they should because the State is shorting them.

So if you're looking at the districts that are over adequacy spending, they might be doing it because they want more programs; and they went to their voters, and the voters approved their budgets and stuff. But I'm not going to debate it, because there is no debating it. It wasn't part of the school funding formula.

We should all be focused on not changing-- Look, and we have disagreements up here. I don't want to change the formula. I think the formula should stand pat; it's been tested; it's weighted. Look, I'm dealing with Paterson; Paterson is going to come up pretty soon. They would get \$36 million more if we ran the formula.

You know, I just heard Bayonne say they're going to lay off 50 teachers because we're not running the formula.

So the point is, at some point the reliance on these two things that the Legislature did -- not the formula -- that the Legislature put in place, need to come out. That's what we're saying; and that's why we propose, over a five-year period-- Because we need to make sure that our local communities that can support their districts-- And when we say you're funding at 36 percent -- your town -- that's based on what the State feels that you could be paying -- more than 36 percent.

So like I said, I think we beat this one to death, unless anyone else--

Oh, Senator Thompson, and then Senator Pennacchio.

SENATOR THOMPSON: Thank you, Mr. President.

Again, you began by saying you thought we were putting out misinformation because of the way some of the stuff that goes out-- And one of the points that has been hit on quite a bit here -- the 370 districts that are currently being overfunded, and we're speaking of reducing that down to current funding.

I don't think its misinformation; I think that's obvious that we say that we're going to bring it down, that-- Okay, local taxes will have to go up there. But what we're doing there with those is-- First off, Senate President, you didn't need to put those codicils in when you passed the formula to get my vote; I would have voted without them.

But nonetheless, that has been part of the law since it was passed -- or you had adequacy aid, etc. These things were supposed to be phased out over time; but it was never done. It has been, now, about nine years, and it's still going on.

So to say that, okay, now it is time to start and phase it in so that they're being funded what they're supposed to be -- rather than based on kids they don't have in the school, or not getting money for kids they do have in school -- then we should do it.

And what we're doing here is no more than the same thing that happens when you do a re-val. Every time you do the re-val, you have a number of citizens coming in complaining like heck, "My gosh, look how much my property taxes are going up." Those people who come out and complain -- these people who have been making out like Flynn for years. They have not been paying their fair share, and now they're being told, "Pay your fair share." That's the situation here. These people have not been putting in their fair share for the funding; the State's been giving them more than the fair share; and to say you should continue it because that's the way it's been-- No, it's time that we take action to give them what's appropriate -- according to the formulas and so on -- and then help out the others that haven't been getting the money as they should.

One last thing -- you mentioned about -- okay, we're doing this at the same time we're giving out all this corporate welfare. And this is going to hurt the urban areas -- what we're doing here -- if we bring them down to only 100 percent of what's required.

Really, the major point is that corporate welfare goes into these same urban areas you're speaking of, which is helping them keep their taxes down, etc. So if we, okay, reduce the corporate welfare so it puts more money in here, that will hurt the same areas you're speaking of.

SENATOR SWEENEY: Senator Pennacchio.

SENATOR PENNACCHIO: Just one question: Do you have an opinion for or against the State takeover of all special education costs?

MAYOR FULOP: Probably better you--

MS. BLACKBURN: It would be very helpful.

SENATOR SWEENEY: It would be welcomed, right?

MS. BLACKBURN: Absolutely; we would love it, if you would do it. (laughter)

SENATOR PENNACCHIO: Me, too.

SENATOR SWEENEY: Anyone else? (no response)

If not, Mayor, thank you.

MAYOR FULOP: Thank you very much.

SENATOR SWEENEY: Thank you, Mayor; thank you.

Next, we're going to call up Ms. Antoinette Baskerville-Richardson, Chairperson of the Newark School Advisory Board; and T.J. Best, Freeholder, from Passaic.

Yes, please.

**ANTOINETTE BASKERVILLE - RICHARDSON:**  
Good morning.

SENATOR SWEENEY: You need to use this one. (referring to PA microphone)

MS. BASKERVILLE-RICHARDSON: Oh, I'm sorry.

I believe it's afternoon now.

Good afternoon, Senator President Sweeney; and all of the Senators, and other folks who are on the dais today, as well as everyone who is listening today.

My name is Antoinette Baskerville-Richardson; I am the President of the Newark Board of Education; and I also work for Mayor Baraka, for the City of Newark, as Chief Education Officer. I am a retired teacher; I spent 36 years in the City of Newark, working for the Newark Board of Education.

And what I want to speak briefly about -- and thank you for calling me up at this point. As an aside, I have to get to a movie theater with about 300 young ladies, who are waiting for me to join the panel to talk about the movie *Hidden Figures*. So I thank you for calling me up at this point.

So Newark, as you're well aware, is in the process of returning to local control; something that we think is going to happen in the very near future. So I speak, today, on behalf of the nine members of the Newark Board of Education, and the Newark community; because the question for us is, return to what? Right now, we are facing, potentially, a projected \$50 million deficit; not the fault of the School Board, not the fault of the children in the community. And the question for us is that, if we do not have full funding, if we do not have full and equitable funding -- return to what? Will we even have the basis for having a free, public, traditional education system in the City of Newark?

Full funding -- and, you know, I don't even have the time to stay around and kind of argue about what I'm going to say -- but under Abbott, there's never been full funding, as we know it, with the 20-year-plus court fight, back and forth. And I've read the history of it, and lived the history of it, over and over again. So full funding is something that Newark has always wanted, but never really achieved for any new period of time.

So we have a new -- we have a School Board that's going to have new and, hopefully, full responsibility soon; a Board that's working very hard to build their capacity to be able to, actually, assume those responsibilities. We have this potential *gap*, I'll call it. And then we have problems that you're aware of -- but just to speak specifically of Newark.

We know that there -- we hear so much now about the national drug epidemic, the national heroin epidemic that's going on. Well, let me tell you that this is not the first time around for Newark, okay? When I was in high school -- when I graduated from high school in the 1970s, there was a heroin epidemic that I don't even want to talk about; there was a crack epidemic; and now, from what I hear -- from narratives from students, and parents, and teachers -- the drug epidemic in Newark is the same thing that we have seen in past generations.

But it's our third time around. We don't have the drug counselors; we have chronic absenteeism -- all of these things are tied together, we know. We don't have the attendance counselors. So without full funding, the question is, how will Newark even survive? Our Central Office staff has been cut from approximately 1,000 people to just a few hundred. Newark has cut bare-bone, and it hurts. So without full funding, again, we don't know what the future will be for Newark Public Schools.

And I understand -- I understand the suburban districts, and I understand the inequity that they perceive. But at the end of the day, the suburban and the urban worlds are not two separate worlds. They do meet; I think it is up to the legislators, and it's up to other people, to really come together, particularly now, and to decide how are they going to meet. And this is the same thing that I've heard said over and over again this morning.

We pay now, or we pay later. We need full funding; we need equitable funding. Because it might sound idealistic, but we need to build a world where people are going to have a fair chance to live together in a productive way.

Thank you.

**T H E O D O R E O . B E S T , J r . :** Good afternoon.

My name is T.J. Best; I am a Freeholder from the County of Passaic. Passaic County is one of our more diverse counties here in the State of New Jersey; not just from a socio-economic or demographic standpoint, but a racial one as well. You can literally find everyone and everybody throughout the County of Passaic.

I wanted to thank Senator Sweeney and the entire Committee for holding these hearings on educational funding fairness. I know that Senator Sweeney has been working on this issue for quite some time; and I thank him for meeting with us in the County of Passaic to discuss this very issue.

Like some who have spoken earlier, I think that the school funding formula, passed in 2008, was actually the right bill. At the time, I was the President of the Paterson Board of Education; and I remember talking to our legislators, at the time, to ensure that Paterson was not left behind. And originally, we were one of the districts that received adjustment aid.

However, during that process, there were two major flaws that were added at the last minute: First, the adjustment aid has never been phased out, as was intended; and people now sit at 150 percent, or even

200 percent of State funding, in some cases; while others, such as in our County, are at 70 percent or 75 percent.

Second, the cap on growth has distorted the system. Over the last nine years, the money never followed the child. Whether you are in an urban district, like Paterson; a suburban district, like Little Falls; or a rural district, like West Milford -- that has made things more unfair, and we must lift this cap.

Passaic County is underfunded by \$165 million; and too many districts are below adequacy because, in part, of State underfunding. As a County, we are just 81 percent of funding.

In the City of Passaic, if the SFRA was at 100 percent, the school district will receive an additional \$34 million. And the City of Clifton is underfunded by \$48 million; and in Paterson -- my hometown -- is underfunded to the tune of \$57 million. The Paterson Public School District has over 28,000 students in grades pre-K through 12. And despite an addition of several new charter schools that have come on board, out-of-district choice, and the expansion of our great county vocational school, we have experienced a steady growth in student population, mainly from an influx of immigrants, who require additional support in ESL, as well as special education. However, the additional funding and resources have not been there to support this additional influx of students, again, who we don't turn away, and we look to serve as best as we can.

This Committee, and your colleagues, have the opportunity to make this more fair by fully funding the formula and to remove these caps.

As the population grows and the funding remains stagnant, it translates into cuts into our districts that can't really afford any more cuts.

You heard from our colleagues here in the City of Newark; and Paterson is just the same, if not worse. We've been -- we've had to resort, now, to eliminating our art teachers in many of our schools; our music teachers; even our library and media specialists. All of the supports that used to be there for students -- that actually engaged students to want to come to school -- have been cut because we're really down to the bare bones at this point.

We understand that it's going to take time for everyone throughout the state to get 100 percent; but it is in all fairness of all taxpayers throughout the state. As I said, Paterson is woefully underfunded, as is the County of Passaic is underfunded. And we understand that other school districts throughout the state are overfunded. And nobody wants to lose money; everyone could use additional money. But we ask you to consider those districts -- especially the urban districts, like the City of Paterson -- that are, again, woefully underfunded; that don't have the ratable base as some of our other, larger urban areas throughout the state; and who require this funding just to provide the bare necessities of a thorough and efficient education here in the State of New Jersey, as our Constitution mandates for it.

Thank you.

SENATOR SWEENEY: Thank you. I'd also like to make note of the great job that you're doing under the circumstances.

The Paterson school system has increased their graduation rate from 42 percent to 78 percent--

MR. BEST: We just hit 80 percent this year.

SENATOR SWEENEY: Eighty percent; think about that. Woefully underfunded, and losing the critical components of education that help round out a child; and you're still succeeding. Which says a lot for the people in your District, in the way they're working and how hard they're working. And it shows you, with a little bit-- And if you had a little bit of resources, you could probably be where everyone else is, in the state, in graduation.

MR. BEST: Just to give you an example: Our Attendance Department, for example-- Our daily average attendance rate used to be in the tune of about 68 percent; so only 68 percent of our students attended school on a regular basis. We reshifted, and put more resources to round out our Attendance Department; and we got our attendance rate up to 94 percent, which is actually on the State average.

However, because of funding this year, we had to cut and eliminate 27 of our Attendance Officers -- our Truancy Officers. We have over 57 schools in the City of Paterson. So many of our large high schools don't have anyone making sure that students are attending and present; which would affect our attendance rate, but ultimately, affect our graduation rate that we hope to bring up.

SENATOR SWEENEY: Well, again -- and I'll open it up to anyone else who wants speak. But I was impressed that, with the challenges that Paterson -- especially the Paterson School District -- faces, day in and day out, that you've made the strides that you have. And it should be recognized and congratulated. And if fairly funded, we can only imagine what we could do.

In fact, I think it was you -- I may be plagiarizing about how many Einsteins that we lost because we haven't funded.

MR. BEST: Yes.

SENATOR SWEENEY: You know? So Senator Pennacchio.

SENATOR PENNACCHIO: I just want to point out -- everyone has their back turned around, but-- If we do our job correctly, this is what we're going to wind up seeing. All young people lined up, as far as the eye can see, for jobs; and, according to the President (*sic*) of the school, those kids are all going to walk out with four offers. It's our job to get them on that line.

And when I look at that line, I don't see Paterson, I don't see Montville, I don't see Newark, or Jersey City. I just see kids.

SENATOR SWEENEY: Thank you, Senator.

Anyone else? (no response)

If not, again, everyone in Paterson -- they should be congratulated on doing an outstanding job under the worst of circumstances.

MR. BEST: Thank you, Senator.

SENATOR SWEENEY: Thank you; thank you.

Next, we're going to call up Dr. Ken Greene, Newton Public Schools; Mr. Douglas Boydston, a member of the Manchester Regional School District Board of Education; Ms. Debra Gregory, President of the Newark Branch of the NAACP; and Ms. Kathleen Witcher, NAACP Education Committee.

**G. KENNEDY GREENE, Ed. D.:** I guess if you call me first, I guess I'll start.

I just wanted to-- I'm Ken Greene; Superintendent of the Newton Public Schools. I'm also Secretary of the New Jersey Association of School Administrators.

And I've been before this Committee before, and I thank you for having me again.

I don't want to repeat the testimony that I've given before, because I know you've -- you know that I've taken a look at these issues from a holistic standpoint throughout the state. For those who are interested in that data, it is at [newtonnj.org](http://newtonnj.org). You can get it -- it's also, I believe, attached to the Senate website by link.

There's no fake news there; no alternative facts. These are strictly the facts. These are things that come straight from the DOE data, and it tells quite a story. And I think, as you know, and the point that we've made before, is that there are three pieces to that story -- there are three legs to the stool, if you will. And all three areas demonstrate inequities -- those being the areas of State aid, adequate budgets, and local taxation.

I think, for too long, we've probably been talking about two of those three legs; and those being State aid and budget adequacy. And we haven't spent enough time talking about local taxation and local tax efforts. So I'm very pleased to hear that the conversation continues to evolve to making sure that we're dealing with this as a tax sufficiency issue, and a tax inequity issue, as well as it is about school spending and State aid.

The reality is that these three issues are inequitable across the state. Every region of the state is affected in terms of this. Every level of

enrollment -- this is not something that just impacts large school districts or small school districts; it impacts all.

And in particular, what's been raised today is some conversation further about suburban, urban, and rural districts, and starting to -- you know, it seems at times, putting wedges between those. But I can assure you, that if you look at the data, this issue affects suburban and rural districts every bit as much as it affects urbans.

Folks, I'm from out in the area where Senator Oroho and Senator Doherty are from; and there are just as many underfunded districts there as there are overfunded districts. When we look at urban areas, the fact of the matter is, not all urban districts are overfunded; in fact, 17 of the 31 former Abbotts are underfunded. And so the stories we've heard today from Newark, Jersey City, Paterson -- all three of them have different stories.

But I'd like to go back, just for a moment, to the tax issue. Because, as I said, I think the other two issues have gotten a lot of play. And the reality is, if you look at it from a dollar perspective, we've talked about the State aid issue. State aid is about \$8 billion; to fully fund would take about \$9.4 billion.

On the tax side, local taxes going to schools are about \$14 billion. And what should be contributed, from a local fair share perspective, is \$16.5 billion. So I'm talking about \$16.5 billion, versus \$9.4 billion; almost a two-to-one ratio. So one-third of the issue is with State aid; there is another two-thirds of the issue dealing with local taxes and local tax fairness. And you will find just as much inequities in terms of local tax contributions as you will in terms of the State aid portion.

But what I will say, though, is what this Committee's responsibility is, is to deal with the one-third part; is to deal with the State aid. And once that's addressed at 100 percent -- we all agree; the goal is 100 percent full funding -- you'll have eliminated that as a variable. And then the issue will simply be, if budgets are inadequate, it's because there's an insufficient local tax effort. If budgets are over adequate, it's because there's a more than sufficient local tax effort, and that's certainly part of local control. We understand that.

That, I think, is the Committee's goal; but understand that the two-thirds issue is never going to move until the State deals with the one-third issue. That is going to be the motivation that gets local districts looking at, "Are we making a sufficient contribution?" And by that, if they are, then they will have a sufficient -- or adequate local budget.

Again, I really appreciate your time, and I appreciate your attention to the issue. And as I said, I appreciate the fact that the conversation is including all aspects of this. Senator Pennacchio has talked about special education aid -- another topic that's completely related -- to which I agree, that that's something that clearly should be made more fair across the state.

Thank you very much.

SENATOR PENNACCHIO: Thank you, Superintendent.

Any questions?

Senator Sarlo.

SENATOR SARLO: Mr. Chairman, thank you.

I just want to say this. Ken, we've been doing this for a short time. But Budget Committee meetings that I've had in Trenton -- you are everywhere. (laughter) You are an amazing advocate.

SENATOR OROHO: Including my office.

SENATOR SARLO: You're doing more miles than all of us. So keep up the good work. You're just-- You're a strong advocate for your school district.

DR. GREENE: Thank you.

SENATOR SARLO: And that says something for the people and the children who live in your District.

DR. GREENE: Thank you.

SENATOR OROHO: I can echo that. (laughter)

SENATOR SARLO: He's everywhere.

SENATOR PENNACCHIO: Thank you.

Now, just reading down, just in order -- no particular order; just on the sheet here.

Douglas Boydston.

**DOUGLAS W. BOYDSTON:** Hi, my name is Doug--

SENATOR PENNACCHIO: And you are from Manchester Regional School District Board of Education, right?

MR. BOYDSTON: Yes, thank you.

I'm a bit overwhelmed and amazed at what you're tackling here.

I'm new to the School Board business, so I'm really here to just share my personal experiences as a taxpayer, 30 years, in my little tiny town of Prospect Park.

And I'm with a fellow taxpayer, John Vander Mole, who is here as well.

And I'm going to pray for you; you're in need of the wisdom of Solomon to figure this stuff out. I'm amazed at the discussion; I'm amazed at the magnitude of the need.

We're not a \$100 million problem; we're not a \$50 million problem. We might only be a about a \$2 million problem. But nevertheless, for our taxpayers in our tiny little town, it's *the problem*. So I appreciate the opportunity just to share our story about Prospect Park and Manchester Regional High School, which is actually shared by three towns.

So I'm not even talking about the formula, or Abbott, or anything like that; I have nothing to add to that. I don't have enough wisdom or understanding of this whole process. But I did -- I put an attachment on there; it's a little bit unusual -- that our regional high school is actually, if you look at the underfunding per student -- we are number one in the state; \$11,000 per student underfunded. It blew my mind when I saw that. I don't know how we run the school; but we do, and it's a great school. And it's running, and we're balancing our budgets, which is phenomenal.

But I'm thinking there may be-- I hope in your wisdom you can figure out -- one problem we're having is how you tweak the formula for regional districts -- particularly ours, which I think is pretty unique in this state. We went through a contest of wills with one of the towns in our region, who wanted to pull out. And the Supreme Court said, "No, you have to stay." And the State Ed came up with a more equitable tax

allocation out of the SFRA formula: 50 percent based on the number of students you send, and 50 percent based on your ability to pay.

So anyway, given that weird little history to our town, the 2 percent tax cap idea doesn't work for us. My taxes in my little town have gone up 10 percent or more every year for 10 years, just for the high school. And that has to do with shifting -- how this formula gets applied in a regional district.

Another complicating thing, that is kind of weird in our town, is that we send 25 percent of our kids to the regional vo-tech schools -- Passaic County Technical Institute. And that's also number one in the state. It's a regional school that sends more -- a higher percentage of their kids than anybody else to the vo-tech school. But guess what happens to the school funding formula? Those kids aren't counted in it. So one-third of our budget is a check to our vo-tech, but the student count is not in the formula. And I don't know how to fix that; but there's something wrong with it when you apply it to a regional school, where a huge percentage of the kids go to vo-tech. It could probably also be a problem for -- if a huge percentage went to charter schools, or a huge percentage went to private schools. It skews the numbers if you don't count those kids in the funding formula.

So I'm hoping that somewhere you have time to look at that problem.

Really, I don't want to go on. There are a couple more attachments; I'm not going to take any more of your time. We love the choice program. We get by on a-- We're a lean operation, and we get by on shared services. We have -- our top six staff people are shared between

two districts. We're doing so many creative things. Senator Ruiz said you have to think outside the box; you have to come up with very creative ways to close the gaps. And that's what we're doing. Our BA and our Super are running an amazing school on a ridiculously tight budget. So we'd like to share, with other districts, some ideas; and learn from other districts, of course, how to think outside the box.

And if there is any input that you have for us in how to, maybe, work with State Ed to tweak that formula so it works for us, as a regional district, with a huge percentage of kids going out of district, we'd really appreciate that.

Thanks for your time.

SENATOR SWEENEY: Who's next?

Ms. Gregory.

**DEBORAH SMITH - GREGORY:** Good afternoon.

I have listened to all of the testimony; and I do not have anything to add other than to say to our legislators -- all of you who are on this Committee -- that we need you to work together. We don't need the pitting of a suburban, a rural, an urban district; because all of our children -- like that gentleman just pointed out, the children outside -- we are responsible for all of the children.

I live in Newark; I am a homeowner, taxpayer. I do not have children who attend the schools; but they did. And I have a vested interest in Newark. I know that Newark is becoming a great City once again, and I have no intentions of leaving it. But at the same time, this City can only be great if this State is great; that's how this is working. This State is one of the richest states in the country.

And we all know that this upcoming election is very important to our State. I would ask of this Committee -- do not tarry, do not stall to get the job done of working out this formula so that all of our children -- whether they are in Newton, Montville, Montvale, Newark, Jersey City-- We do not -- we can't -- we don't have the luxury to pit one against the other.

And as the President of the Newark Branch of the NAACP, I urge you to stand up for the social and civil justice of all children -- all children.

Ms. Richardson said something about the heroin epidemic. Well, we know that it is affecting the children in Monmouth County, just as well as Essex County. So everything that is affecting our children is affecting across the state, some more intensely than others. But we have issues; and we call upon our Legislators to create the law, to have the courage of your conviction to have a full funded formula that is simplistic, in that it's user friendly; and that every parent can understand -- they can go beyond the understanding of, "Well, I pay this for taxes, and my kids are not getting that;" and, "This community pays that for taxes, and they get that." I visited Franklin Township High School yesterday. That is a glorious school -- the high school. It is glorious; it is fully equipped; it was built 10 years ago. Whereas you have, in Newark -- we're still suffering from buildings that have been in existence for the last 100 years.

So there are inequities. But it is up to you, legislators -- both on the Republican side and on the Democratic side -- to come together; to put aside your differences for the greater good of our children.

Thank you.

SENATOR SWEENEY: Thank you.

Ms. Walker (*sic*). I'm sorry; I don't have my glasses.

**K A T H L E E N W I T C H E R:** It's Witcher (indicating pronunciation).

SENATOR SWEENEY: Witcher.

MS. WITCHER: That's good.

SENATOR SWEENEY: I had to put my glasses on; I'm sorry.

MS. WITCHER: Oh, yes; it's fine with me.

I'm here because I'm a grandparent and relative of school children. And I've served on the School Board in Irvington twice; I am now representing the Education Committee of the NAACP Statewide Conference; and I also am a Chair of one of the Committees of the New Jersey PTA.

And I come here because I have sat patiently as a teacher, retired teacher, education advocate; and one who tried to remain an advocate -- over the time that I taught and now -- to look at quality education.

My mother was in the kitchen when I was a child, talking about *T and E* -- thorough and efficient education. That's our children's guarantee, by law; by Constitution in this State.

And I want to ask, you know, what our children have as a promise now, if we continue to not provide a thorough and efficient education; which, of course, demands that we fully fund the formula. It's not the best formula. I sat in the court when Abbott was terminated; and I sat among those in the hearings, and learned that when Mr. Augenblick struck the School Funding Reform Act of 2008, it did not include the

supplements that I had been used to working with in the school -- my alma mater, by the way -- for 33 years.

I bring attention to one of the paragraphs where I write -- same as has been said -- Newark, Irvington, East Orange, and Paterson, and many other districts in the state, need to maintain a high caliber of teaching, because this state is always advertised -- we are the best; we give the quality education that surpasses every district around the country. But how do we know that, if we have been cut, cut, cut, cut so that we don't have librarians, social workers; we don't have aides for our children who are needing aides who are classified? We don't have tutorials, we don't have pre-college programs. And we used to send so many children right here to NJIT, and to Seton Hall, and to Rutgers on Saturdays; that meant that they, too -- like me, coming from a low-income housing project -- would realize the quality of education, and continue to higher education.

So I'm just going to ask you to do what you can. At Malcolm X Shabazz High School, we were promised CTE classes -- those classes that would prepare our children in vocational skills; only to find that there's no funding. Somehow the Carl D. Perkins Federal money has disappeared; and our children -- who were promised to go into cosmetology, culinary arts, videography, and also auto technology -- only have videography left.

I want to read a little bit from a report that I also received from the Law Center; and it's on 2016 expenditures for some of the districts. And I will forward the complete data.

For Atlantic City -- total spending last year, \$26,634, with budget per-pupil \$19,422. Teaneck, \$27,246; budgeted per pupil, \$20,472. Newark, \$22,013 spent; budgeted, \$17,044. Glen Rock Borough, \$21,152;

budgeted per pupil, \$15,793. Lindenhurst Township, \$17,150; budgeted per pupil, \$13,500. Pennsauken, \$20,120 spent; budgeted per pupil, \$13,549.

And much of this is continued throughout the 500-plus districts in our state.

So I would just thank you for this opportunity. Do what you can; our children deserve a thorough and efficient education.

SENATOR SWEENEY: Thank you.

Any questions for the panel?

Yes; Senator Sarlo.

SENATOR SARLO: Just to -- I believe, Manchester?

MR. BOYDSTON: Yes.

SENATOR SARLO: You know, you said you joined the Board, and I really -- and there is a lot that's new to you, and it's sort of overwhelming. But I really think it's the great; it's the right time to join the Board, because if we have the political courage -- collectively, in a bipartisan manner -- to make these difficult decisions over the course of the next couple of months, and fully fund this formula, make the necessary adjustments, I think it will be a great time to be involved in public education here in the State of New Jersey.

So it's going to be a bumpy ride; it's going to be a bumpy road. But don't get off of it; stay on it.

SENATOR SWEENEY: Thank you.

Thank you, Senator.

Anyone else? (no response)

If not, I'm going to call up the next panel. Cecilia Zalkind, President and CEO, Advocates for Children of New Jersey; Ray Ocasio, Executive Director, Newark Early Childhood Coalition; Lorraine Cooke, Executive Director, Egenolf Early Childhood Center.

**CECILIA ZALKIND:** Thank you.

I know the hour is getting late, and I'm just going to summarize what I planned to say and hand in my testimony to you.

I already testified before this Committee -- your hearing in Edison -- and I just wanted to reiterate, very briefly, the three points that I made.

Because Advocates for Children of New Jersey is fully committed to New Jersey's high quality preschool program -- maintaining that program in the current districts, and expanding it to those districts promised funding under the School Funding Reform Act.

It must remain in the school funding formula; we have to fund current programs -- like Ray's; one of the best in the City, one of the best in the state -- to make sure that they continue to provide quality; and expand it to the, about, 35,000 more children who were promised preschool under the 2008 law, where it has never been funded.

What I really planned on talking about was to talk a little bit about the children of Newark; because, to me, that highlights why we have a school funding formula that looks at disadvantage and looks at needs of children.

Again, I'm not going to go into this in detail. We publish a report called *Newark Kids Count* every year, where we look at indicators of child well-being. While Newark has made great progress in the well-being

of children, issues around economic disadvantage continue. So again, without much detail, when you have 18 percent, or 20,000 children, in Newark who live in extreme poverty, at 50 percent of the Federal poverty level -- which is not quite \$12,000 a year for a family of four -- that's pretty shocking. Sixty-nine percent are considered low income. So two of every three children in New Jersey (*sic*) is considered *low income* and would qualify for free and reduced lunch; 40 percent live in families at or below the Federal poverty level.

And we talked earlier -- the Committee talked about median family income. The median income of families in New Jersey, statewide, is \$89,000 a year. The median income of families with children in Newark is \$31,329.

And I certainly heard, Senator, what you said about -- I believe it was Hackettstown, in a similar median family income. That is why we need a law that addresses those inequities. This data -- and data that I'm sure you have from your District -- talks -- makes the case for why more resources are necessary just to level the playing field; and why State funded, high-quality preschool is so important to the future of kids.

I will just close-- This has been a very interesting discussion to listen to. And just to go back, when the School Funding Reform Act was being discussed three points came to mind for me: One, it defined disadvantaged in a different way. It defined *disadvantaged* as children eligible for free and reduced lunch, which acknowledged that it wasn't just the Abbott districts that face those issues, but districts just like yours.

Second -- and I remember then-Commissioner Lucille Davy saying, "Forty-nine percent of low-income children in New Jersey live

outside the Abbott districts.” And the School Funding Reform Act was designed to reach those children too, in terms of funding and in terms of preschool.

And the third point is: Fund it; that may be the answer to the inequities we’re seeing now. The worst thing that could happen is if we point fingers and talk about who has more, who has less. These are our children -- I know it’s a trite thing to say -- these are our children, and we are responsible, I think. And it’s to our benefit to make sure that they have the opportunity to grow up to be productive, self-sufficient adults.

As someone said to me recently, reading James Heckman -- had a quote that said, “Winning or losing the lottery of birth,” depending on where you live and what your opportunities are. I think this is what the SFRA is designed to address, and I think what you are all grappling with.

So, courage; and thank you for the opportunity to testify again.

SENATOR SWEENEY: Thank you.

**RAYMOND OCASIO:** Good afternoon.

My name is Ray Ocasio, and I am the Executive Director of LaCasa de Don Pedro, as well as the President of the Newark Early Childhood Coalition.

I’ll start by saying that there has been an interesting discussion this morning -- now into the afternoon -- and I think we talked about -- I think my Senator Ruiz talked about the investment in education. I think we could all agree that full funding of the school funding formula would be the right way to go; the question is, how?

I think the answer was provided by Mayor Baraka when he said we have to change the underwriting of school education from the real estate

tax base, to one of income. Because otherwise, I think the discussions that you are having here will be ongoing for many, many, many years.

But let me take you down another approach. I think we all can agree that a pre-K education is essential, particularly for children who are disadvantaged. And I think we could all agree that we, here in New Jersey, have developed a quality program that has been copied and admired by many others.

Unfortunately, that doesn't speak to the full reality of the early childhood education program here in New Jersey; and, particularly, here in Newark. For the last seven years, this Administration -- and all of you -- have, basically, provided flat or less funding for pre-K than was originally intended. What does that mean? That means that teachers have not had increases, basically, in seven years. What does that mean? I have lost my 17 teachers -- certified licensed teachers; I have lost 7 of them to the District, because they can leave me and leave a salary that was frozen seven years ago at \$55,000, and go to the District and get \$65,000, \$70,000, depending on the credentials. That's a major loss for my organization; that's also a major loss for our children.

By the way, that salary increase that they get at the District is also supplemented by increased benefits. So is that the most effective and efficient way of providing this education? I'm not sure.

On the other hand, beyond that -- to survive in a flat-funding environment, not only have I lost teachers, I have had to cut the field trips that my kids -- and the quality of the field trips that they go to. Yes, they can go to Newark Museum; they no longer go further than that. I've also had to cut down the technology, because I just don't have the resources.

Let's go beyond that. Beyond that, I used to have family workers at a ratio of 45 families to a family worker. I've had to ask for waivers to have 75 families to one family worker. Why? I have to balance my budget because in two of the last seven years, I had negative funding; essentially, I had more costs than I had.

Everything else -- I've had to eliminate positions; we once had security, we no longer have security. When I fire someone or someone leaves me, instead of giving them a decent wage of \$15 an hour, I'm now paying them much less, something like \$12 an hour. Why? Because I have to balance my budget. There are no other resources to pay for the services.

I can tell you the district is operating on a \$13,000-plus average per child here in Newark; my budget is actually \$14,000-plus. I had to go to Head Start to get funding for a different group of people; so I still had my 255 kids who are under the District funding. But under a combined District and Head Start program, I now get \$17,000 per child. And that brings me, basically, to where I was seven years ago -- in terms of my real, actual costs -- to give the full complement of what I think is a quality education.

And just to compare that: My daughter lives in Lawrenceville; and she paid \$22,000 for a for-profit company to provide comparable, but not exactly the quality-- They didn't have licensed teachers; they didn't have two-- Well, they had two instructors; but neither one of them with licenses were certified to the extent that we do here in Newark, and that the Abbott program has provided throughout the years.

So flat-funding hurts us; flat-funding hurts the quality of the program. It is no longer the shining star that we thought it was. It has

been hurt; it has been compromised by all of you in this Administration, by failing to provide adequate funding.

I thank you.

SENATOR SWEENEY: Thank you.

Any questions? (no response)

If not, thank you.

Next, I'm going to call Julie Borst, Save Our Schools; Robert Zywicki, Weehawken School District; Kenneth Weinheimer, Hillside Public School Business Administrator; John Tomicki -- but I don't see John.

**JULIE BORST:** Thank you.

Should I go first?

SENATOR SWEENEY: So whoever wants to go.

MS. BORST: Okay.

Good afternoon, I guess it is now, Senator Sweeney. Thank you very much for calling this hearing and allowing us to speak.

My name is Julie Borst; I'm a parent from Allendale, New Jersey, up in Bergen County. I am a (indiscernible) mom to an 18-year-old senior, who was sent from the number three school district in the state to the number seven school district in the state for (indiscernible) services.

I am speaking today as a parent, and not a as representative of Save Our Schools New Jersey; although I would like to remind this group that Save Our Schools New Jersey was actually founded by a group of parents, sitting around a kitchen table, over funding issues; and it was local funding issues, where we came from. And we are over 31,000 parents in every county of the state; we all volunteer our time, and out efforts, and our money, to show up at these hearings.

So today I want to talk about special ed funding. And as you are all hearing, and as we have heard at the Assembly Ed Committee hearings that I've been to -- two of those, plus the Joint Committee on the Public Schools hearing as well -- everybody is saying the same thing.

So after all of these years -- and SFRA not being funded, and a 2 percent cap thrown into there as well -- we are all really, really hurting; and it doesn't matter what town you're in in this state. Everybody is hurting.

Very little has been spoken about special ed funding, so I kind of raised the bell at the beginning of the month about that.

And so I think what I want to talk about -- and I'm sure you must recognize yourself, Senator -- is that a census-based formula for special ed doesn't work for anybody. And so for a district like mine -- which is relatively wealthy, and, obviously, the high school -- Northern Highlands High School is a J District school -- that our classification rate is well below that 14.8 percent. But then we get clobbered on the end formula, where we lose about two-thirds of whatever that money might be. So we're losing there.

And then you have districts like Paterson, where their classification rate is much higher than that 14.8 percent; and they lose that money, because they just have more children to take care of, right? And that district is deeply underfunded as well; as well as being under State control. So it works for no one.

So as you are thinking about how it is that you want to address-- And, frankly, go find that money; because this is really what this boils down to, right? To find that money we have to think about how it is

that we are funding special ed. I would urge you to take a look at what some other states have done, and then, I guess, what New Jersey has done previously -- where there are rates attached to the classifications. I wouldn't suggest, necessarily, looking at a different rate for every classification. I know places like Massachusetts -- Boston, in particular -- their school district does do that. That seems a little extreme.

I spoke with Bruce Baker at Rutgers about this a little bit. His feeling was that three or four categories of aid would probably be enough to at least create some kind of balance there. Because in the end, what's happening -- and my daughter is probably the poster child for this -- is, she's not getting the services that she needed. And it took getting the right gel of a case manager who would fight for her; a Superintendent and a Board of Ed who was supportive of it; and then a place that could actually execute it. And we didn't have that until freshman year in high school; and I live in Allendale. So this -- if this is happening here, what does this look like somewhere else?

And my daughter is 18 years old, and we're coming up on the anniversary of when we first knew that there were issues. So I've been doing this for 18 years. And I will tell you -- having lived in North Carolina at the beginning of her school career, and then living in New Jersey from kindergarten forward -- she had a better educational experience -- I had a better educational experience for her in Ashville, North Carolina, in a city public school; because there was somebody running the public school who believed in special education and giving those services -- which is exactly what I'm hearing from all of you, right?

So I would urge you to do that.

In the testimony, at the end, I included a link. Bruce Baker wrote a piece for the Albert Shanker Institute about how money is spent, and why that matters. And I think that piece of the conversation-- Somebody touched on it earlier, but nobody is really talking about how we're spending that money, and how we're pooling these resources for all of our kids.

And please don't leave special ed out of the conversation.

Thank you.

SENATOR SWEENEY: I have been an advocate for 24 years--

MS. BORST: I know you have. (laughter)

SENATOR SWEENEY: --so I've been doing this--

SENATOR OROHO: Very much so.

SENATOR SWEENEY: And you've made some very valid points.

And the nice thing here -- as you see, we argue on a lot of things--

MS. BORST: Yes.

SENATOR SWEENEY: --the one thing we're not arguing on is special education funding. We all recognize we need it.

MS. BORST: I appreciate that.

SENATOR SWEENEY: We need to fix it; it's important.

Who's next?

**ROBERT R. ZYWICKI, Ed. D.:** Good afternoon.

My name is Robert Zywicki, and I'm the Superintendent of Schools of the Weehawken Township School District in Hudson County.

I'm a member of the NJASA Legislative Committee, and my District is a proud member of the Garden State Coalition of Schools.

Despite underfunding, Weehawken is an urban education success story. Over 40 percent of our student population is free or reduced lunch; 40 percent is ELL; and 15 percent is special education. We are now ranked as one of the top districts in the state for student achievement, and we were recently named one of the 12 most innovative districts in the nation by the International Center for Leadership in Education.

Further, our graduation rate increased from 83 percent to 93 percent over the past two years.

Since the inception of the School Funding Reform Act, our relatively small district has been underfunded by an average of \$470,000 per year. The amount of the underfunding must be considered in the context of the size of our budget, and the percentage of our budget that is supported by the local tax levy. Eight-five percent of our operating budget is supported by the local taxpayers.

Meanwhile, districts that are literally across the street -- that are across Park Avenue -- contribute far less. Hoboken contributes 77 percent; North Bergen, 41 percent; West New York; 14 percent, and Union City, 7 percent.

The failure to fund the formula has stranded my District on an island in the sea of inequity. During this near-decade of underfunding, we have tackled necessary security upgrades, increased enrollment, technology infrastructure upgrades to meet the demands of PARCC, and the increased need for ELL programs. Our budget -- 25 percent of our budget is now dedicated to special education.

I'm cognizant that there is no quick fix to this large, systemic issue. However, everything being taken into consideration, I respectfully request that you consider the following specific recommendations.

Construct and commit to a fiscal plan to increase the percentage of aid to districts over the next three years, rather than five years, to fully fund the formula by 2020. During this time period, while we await full funding, provide a moratorium on the 2 percent cap on local school district budgets. If that moratorium is not politically possible, then please provide an across-the-board exception of all special education costs to the cap.

Provide a firm sunset date for adjustment aid, and reallocate those dollars to underfunded districts to, thereby, move all districts closer to full funding by 2020.

Increase the proportion of categorical special education aid. There are many factors impacting rising special education costs that are currently unaccounted for in this census-based formula, as you pointed out.

Lastly, there should be a moratorium on charter school expansion until all public schools are currently fully funded. Besides dealing with a lack of full aid and 2 percent budget caps, many districts are struggling with looming budget holes due to charter expansion.

I greatly appreciate your time, and for forming this Committee.

Thank you so much.

**KENNETH R. WEINHEIMER:** Good afternoon.

Senate President Sweeney and members of the Committee, thank you for your time today, and for your efforts.

My name is Ken Weinheimer; and I am the Business Administrator for the Hillside Board of Education in neighboring Union County.

We are a community of approximately 22,000 residents; a District of 3,100 students; and a free and reduced lunch program percentage of about 65 percent. Hillside is not a wealthy community.

For purposes of specific school funding formula, please consider the following -- and this is painting the picture of what Hillside is enduring in the current 2016-2017 Fiscal Year.

The Hillside Public Schools were provided \$19 million in equalization aid, which is \$10 million short of the aid that the State of New Jersey calculated was the amount for equalization. For the current fiscal year, the fair share -- our local taxpayer responsibility for Hillside is \$23.5 million.

Since the local fair share and equalization are used to determine adequacy -- since this is underfunded by the State in the amount of \$10 million -- the taxpayers in Hillside are now paying \$30 million in taxes. This is \$6 million greater than the State calculated local fair share.

The burden of paying for Hillside schools has fallen hard on the property owners of this community. Since an adequate budget is one that the State calculates as needed to provide a thorough and efficient education -- one that meets the New Jersey State Student Learning Standards -- we come up far short in the funding required to have the greatest impact on all of the students in our community.

When State aid and local taxes are added together, the Hillside school district is below adequacy by more than \$3.3 million.

Unfortunately, this lack of funding has done a number of things, and I'll state a few.

It has saddled the local taxpayers with a greater burden, as we stretch to reach toward the level of adequacy of the costs, again, to provide a thorough and efficient education.

It has harmed our ability to provide the necessary school facilities for our students. We desperately need to improve the conditions at our schools, many of which were built in the early 1900s.

It has caused us to limit the amount of course offerings for our students. It has also limited our ability to provide the broadest array of opportunities that would benefit the 21st century learning for all of the students in Hillside.

Finally, the tax burden has created financial distress among many of the residents in Hillside.

It is my hope -- and certainly speaking for Hillside, our hope -- that a fairer funding formula will deliver the kind of educational program that our students deserve, and it will certainly improve the quality of life for all of the citizens of Hillside.

Thank you again.

SENATOR SWEENEY: Thank you.

Any questions for this panel? (no response)

If not, thank you; thank you.

Next, we're going to have Mr. Pressler; Ms. Dawn Fantasia; Ms. Frazier; Ms. Brantley-Holmes; and Mr. Auguste.

Whoever wants to go first?

**RICHARD PRESSLER:** I guess I'm wearing the tie, I have to go first. (laughter)

**SENATOR SWEENEY:** Wait a minute. I called up all these women; what's going on? (laughter)

**ALTORICE FRAZIER:** Yes, we will talk about that later. (laughter)

**SENATOR SWEENEY:** I just realized.

Please, when you start to speak, identify yourself for the record.

**MR. PRESSLER:** Yes; good afternoon.

My name is Rick Pressler; I'm the Director of School Services for the New Jersey Charter Schools Association, a nonprofit membership organization representing New Jersey's 88 charter schools and the 50,000 students they serve.

I'm also a charter school founder, and parent, and recovering school leader, and former Board member; as well as a member of my local Board of Education in Senator Thompson's District, Roosevelt, New Jersey -- a wonderful little school district.

There has been a lot of really good thought going on about funding and about how to plug this big hole that we have. And it is very heartening to hear the sentiments about special education and the determination to fully fund the formula -- which seems like our best hope at this point -- to get to a kind of equity.

The one point I wanted to bring up was some of the priorities that we might think about as we go forward, trying to solve some of these challenges. And the one priority I would want to bring to your attention is the need to preserve and expand the access to quality public schools for all

students. And in New Jersey, we're very fortunate; we actually have a pretty rich culture of school choice, if you think about it. We have county CTE programs; we have magnet schools and theme-based schools in districts; we have Renaissance schools; we have charter schools; we have interdistrict school choice. And all of these different avenues provide parents with the opportunity to find the right school for their kid.

In New Jersey, people of means have always been able to move to a school district, or pay for private school; and so it's really those families that don't have the means to do that that we need to focus on if we really want to achieve some kind of equity.

And so if you look at the different types of public schools, they have different criteria for enrollment. Some of them are very selective; students need to test into them. Others have very limited enrollment. When we think about inter-district school choice and charter schools, these are schools that are enrolled through lotteries and provide students who may not qualify for a magnet school, or whose parents may not have the means to pay for private school, an important choice for finding the right school for their kid.

There's no way to fix school funding in New Jersey by pitting sides against each other; that point has been made many times today. We feel very strongly at the Association that a robust system of school choice serves all students in districts well, and that it's a difficult issue to balance how this is going to be done. But I would urge the Committee to consider how to maintain this level of choice that we enjoy in New Jersey; and to ensure that we don't fix one part of this problem at the expense of another; that we need to support students who attend all different types of public

schools; and to trust their parents to be able to find the right program for their student.

And I guess that's the one thing I would add to the conversation. So many good thoughts have been said today, that I won't go on. But that's the one priority that we hope will be considered.

SENATOR SWEENEY: Thank you.

Next; who's next?

**D A W N F A N T A S I A:** Good afternoon.

My name is Dawn Fantasia; I'm a certified teacher and School Administrator for the past nine years. I've work for Bergen, Passaic, Paterson, and Hudson Arts and Science Charter Schools. I'm their Chief Communications Officer, and I am the Director of Visual and Performing Arts for all the schools.

Before this, I taught in traditional public schools; so I kind of have, you know, a little bit of an angle on -- coming from both worlds.

There has been much talk about the School Funding Reform Act; the issues of chronic underfunding; a lack of equitable distribution; so on, and so forth; and the fact that temporary adjustment aid wasn't quite so temporary. Unfortunately, we don't have the luxury of time to fix this, because while the adults debate the intricacies of school funding, the clock is ticking for the kids. The longer we wait -- we have cities like Jersey City and Elizabeth that delayed property revaluations for 25-plus years; and they collect disproportionate adjustment aid that charter schools are not the beneficiary of.

To compound the strain of charter schools, we receive no money for capital costs; and not one penny of the \$600 million in

adjustment aid. So if those funds were redirected to equalization aid, it would level the playing ground for charter schools.

You probably know -- as charters, we spend roughly 15 to 20 percent of our operating budgets on rent for buildings. The traditional public schools don't face that.

Also, charters take a beating in the media, and I'm sure you're aware of that. We're misrepresented and challenged at every turn, accused of cherry picking. What I can say is, in 10 years, no student has ever been expelled from one of our charter schools and sent back to the sending district. Our students come with the same challenges that they come to traditional public schools for. Our schools are the same. Paterson serves 85 percent free and reduced price lunch to students.

And the gentleman -- just from Weehawken -- I think that's great that his students upped their graduation rate from 83 to 93 percent, while serving 40 percent of students free and reduced-price lunch. We celebrate something similar to that: Our Bergen Arts and Science Charter High School has 50 percent free and reduced-price lunch; and we are the only school in Bergen County -- the only high school in 2016 -- that had 100 percent graduation rate. (Indiscernible) 98.5 percent. So we do celebrate that success with that school.

So we keep hearing lingering discussion of a charter moratorium; as if the freeze on the expansion of charter schools is going to be the answer here. And a moratorium is not the answer, if the question is, "What works for the kids?" We can't have a conversation about school funding when we don't link it to student outcomes. However, there is a danger if we use comparative data as a weapon against either other. There

are failing traditional public schools, there are failing public charter schools. Public charter schools don't like district schools to fail. To the contrary, we want to see every child succeed; and here's the thing: We cannot label any school as *effective* when they're trying to do their job underfunded, with one hand tied behind their back. But the definition of insanity is doing the exact same thing we've done for all these years, and being shocked when we get the same results.

So in your packet -- slight reading; it's a monster -- but in it there's a little bit of our story about our schools -- what we did to help save money. We consolidated services. And what we would really like to do is reach out to the traditional public schools, and form partnerships, and share services, share resources. Because when they are underfunded, we're underfunded. When we lose, they lose. And instead of pitting against one another, I think we need to work together to make sure all students receive a fair and equitable education in New Jersey.

Thank you for your time.

SENATOR SWEENEY: Thank you.

Who's next?

**H A N E E F A U G U S T E:** I'll go.

SENATOR SWEENEY: Thank you.

MR. AUGUSTE: How you doing?

I'm Mr. Auguste. I'm many things; but what's important here, I'm a parent of children at one of the -- one who graduated from charter school, and two who are currently attending charter school. And my older children went to public school, prior to transferring to charter schools; because we made that decision that that was best for us, comparing the

different-- Just apples to apples, you know; the things that -- the way that the charter school operated, versus the public school at that time.

The way I like to live my life -- I like to seek first to understand, before I want to be understood. So I just want to acknowledge that when I came here, I thought one way about the opposition to the funding -- the 100 percent funding -- as you just cared about yourself, and weren't worrying about everyone else. But in listening to you explain your frustration with some townships able to do certain things that you are not able to do -- which allows, I guess, making it an unfair advantage with monies -- I can acknowledge how you feel. And I'm sure, between all of you, you can figure out some Chinese math problem to make that all work.

Now, I'm not smart enough to know what that formula is; but I believe 100 percent funding is the only way you can see whether or not funding works for everyone. At least try it once; you know, if everyone gets what they're supposed to get, then we can see whether or not every school is getting enough. And until we do that, there's no way to really, accurately, assess what's going on.

Now, I can come up here and tell you how happy I am about my kids at their school; and I am happy with their school -- the education they're receiving in the charter system. But also, I know my kids have to live with kids who are not getting an education properly. And living here, in the City of Newark -- when you have an educated child next to an uneducated child, that's a bad idea. So everyone needs to receive a quality education so that I don't have to worry about my daughters being accosted by someone who doesn't have a quality education. So it's in all of our interests to make sure that everyone receives a quality education.

And I feel like the best way to do that is for you guys to figure out -- whatever the math problem is, you have to figure out, up there, how to get 100 percent funding; so that these gentlemen on this side -- municipalities aren't unfairly paying the tab for other municipalities that are doing things to make advantages for the rich and corporations -- to attract them; and they're not contributing to the math problem that we need solved.

So that's what I have to say.

SENATOR SWEENEY: Thank you.

MR. FRAZIER: Altorice Frazier; I'm a parent here; I'm in the City of Newark. I have children in Head Start.

I know that you guys are definitely-- It's important to hear your representation and your focus on Head Start. I was a parent there for a long time. My twin boys are now 8 year-olds, in 3rd grade at one of the charter schools here in Newark. So I have been with the Head Start; I've been with the charter schools. My oldest child went to Martin Luther King, which is now a North Star site. So I've travelled that trek of education with my children; and I know the importance of the quality of the education, based on my own upbringing, and missteps, and different things that have happened in our communities and in the City of Newark.

So I definitely know it's important to have a fair funding that definitely meets the needs of our children here in the City. Yet as my partner in battle -- when I say *battle*, I mean fighting to just have our parent voices heard; to fight to make sure our parents step up and step out to make sure that our children our receiving a quality education.

As Haneef said, it is important that we understand what's going on throughout the whole state; and understand that everybody has an issue, and has an understanding that needs to be heard at the table. And us -- as parents who have our children in charter schools, who are successful charter schools, in our opinion, in our thinking -- you know, doesn't take away what we know that is needed throughout the state.

And we come to hearing after hearing, testifying, and just sitting in the back sometimes -- just watching, and listening, and learning.

I do understand, the holistic approach of funding a quality education for the State of New Jersey is everybody's at that table up front, and my desire and concern. And the need to fund it 100 percent at the system it is -- I do think it's important, because if it hasn't been given its full fuel to take off, how can we really know if it can really get from *A* to *B*?

So I definitely am an advocate of seeing a system that is thoroughly funded; and put oversight -- one of the gentlemen, one of the Senators said oversight, for years, may or may not have been there. So I definitely would look to see that happening.

But to know that to have a lack of funding, or continuously having funding misused or even not received -- not getting to our schools -- is important. My children -- just this year, one of them actually started testing for IEP. Because I'm one of the charter school parents who, you know, I can testify, we weren't cherry-picked. My children are not the upper echelon, academically. Spiritually and emotionally, they are, and that's one of the things that Head Start helped us have -- social and emotional growth and development -- and my children are definitely the life of the party, and they are definitely engaged in the school. They might not

be academic geniuses, but they are personal geniuses in my heart. So I know the culture of these schools is important, and I want that to happen for all kids in our communities and, definitely, in our state.

And I thank you for letting parents like me have the opportunity to address you. And I look forward to having individuals like yourself come and support things that parents like myself are interested in having -- forums, different opportunities for parents -- who may not have been able to come this morning; who had to take off of work to be here; or who weren't able to do that. But if you guys could find in your way to meet us both ways, because I know that if you meet us where we are, there's a lot of information that we want to share and would love for you guys to understand.

So I thank you for today's opportunity.

SENATOR SWEENEY: Thank you.

Are there any questions?

SENATOR OROHO: Yes, I--

SENATOR SWEENEY: Senator Oroho.

SENATOR OROHO: Thank you, Mr. President.

And I want to thank the panel for coming up.

And Dawn is actually a resident of my -- in Franklin Borough; and she comes down to Newark every day. And I want to thank you, Dawn, for being here.

One of the key things you bring up-- And I want to thank the parents for being here. Without a doubt, we need a terrific educational system, irrespective-- And one of the things you bring up is, that parent choice -- I call it *parent choice for educational excellence*. You know, it's not as if

the charter school-- I think I heard we have 50,000 people -- students in charter schools. Because parents haven't had a choice, how many-- I think I saw thousands on the waiting list. Is there any estimate of how many on the waiting list are waiting to get into a charter school?

MR. PRESSLER: We only have an approximate number; it becomes a little more difficult to judge with some of the universal enrollment systems. But it's between 20,000 and 30,000, we believe.

SENATOR OROHO: Between 20,000 and 30,000.

MR. PRESSLER: Yes.

SENATOR OROHO: So you could, almost, you know-- You have 50,000 right now; so 60 percent more--

MR. PRESSLER: Yes.

SENATOR OROHO: --(indiscernible) want to go there.

I want to thank you very much.

I think that's one of the key things that we have to recognize. And be accountable -- whether you're a charter school that's not making the grade, or you're a traditional public school not making the grade -- we have to have a funding formula that, quite frankly, recognizes success. Because it is all about the child.

So I just wanted to thank you very much for being here; and for the parents who -- you had to take off from work to come here, to advocate for your child -- thank you.

SENATOR SWEENEY: Senator--

SENATOR THOMPSON: Mr. President?

SENATOR SWEENEY: Senator Thompson.

SENATOR THOMPSON: Mr. Pressler, in your written testimony, you state, “We believe our first priority guiding the reconsideration of school funding is to preserve and expand access to quality public school options for all students, especially those whose families do not have the means to simply move to a high-performing school district, and who may not qualify for admission to selective district or county magnet schools.”

Within about the last week or so, challenges have been filed-- First off, let me say, I am a big supporter of charter schools. I think you do a wonderful job providing a very much-needed service.

But in a couple of cases here -- within the last week or so, there have been reports about challenges being filed regarding two charter schools: one of them being in Franklin in Middlesex County; and one of them being Red Bank in Monmouth County. It is asserted that the demographics of these schools are very different than the areas that they are located in. For example, in Franklin, I think it was reported that about 70 percent of their student population is an Asian population. And they point out that -- the scores on the standardized tests exceed those of the school district, etc. And quite frankly, Asian students tend to do that.

Over in Red Bank, they point out the demographics there -- that it's about 80 percent white in the charter school, while in the town it's about 17 percent; so a big difference in the demographics. And they're being challenged on that basis.

Of course, they do, like all charter schools, operate on a lottery system for who will get in. So I guess they are impacted by who applies; and I guess the results of the drawing are the consequence of who the

applicants are. But it is seeming to, in some cases, result in a great distortion in who they have in the schools, versus the population. It's not really necessarily getting to the disadvantaged students, and etc.

Do you have any idea what could be done to rectify this problem to ensure that it is, sort of, taking care of the people you're expressing your most concern about here?

MR. PRESSLER: Yes, there are several things.

First of all, it's important to remember there are 88 charter schools in the State of New Jersey, and they serve an overwhelmingly minority, disadvantaged population. About 70 percent of our kids get free or reduced lunch; an overwhelmingly--

SENATOR THOMPSON: When we go to urban areas, no question about it. When you move into suburban areas, you get a different situation.

MR. PRESSLER: So for these cases, a few schools have been picked out where there are these various anomalies. But there are a couple of things to remember: One is that when you look at an individual school and you compare it against a district average, what you can lose are the differences in demographics within those individual schools in a district. So it doesn't apply so much in Red Bank; but certainly, in Franklin Township -- take a look at all of the separate schools in Franklin Township, and look at the diversity of populations. They are not -- none of them meet the average; they're all different. And so the charter school, while it's an extreme case, is within this continuum of different demographic populations that you find within different schools within a school district. If you average them all together, then you would get one view of it. But you really

have to look at them separately to try to get underneath what's going on, in terms of why different schools in the district may have very different percentages of different demographic groups -- whether it's economic, or ethnic, or whatever. So that's one of the things that needs to be taken into consideration.

There are several things that schools are doing to address this. One is recent permission from the Department of Education to hold weighted lotteries, in which we can weight the lotteries towards economically disadvantaged students. What we've learned is that it takes time for the impact of this to be felt; but if you're allowed to, you can have it where a student who is eligible for free or reduced lunch will have two or three times the chance of being selected than a student who is not qualified. And it's a rather crude mechanism, but it does allow us to address that issue about making sure that we are addressing those students who most need this. And in both Red Bank and elsewhere, they've received permission to have these weighted lotteries.

SENATOR THOMPSON: Thank you.

SENATOR SWEENEY: Senator Ruiz.

SENATOR RUIZ: I just want to take the opportunity to-- I had to step out for a little bit, but we've had several groups that came here, specifically tied to the City of Newark. I just want to take a moment to thank them all for coming out and advocating for what is critically needed.

But I do want to just take a pause and thank the parents who are here today. It's great to hear engaged parents from across the board, all the time. We certainly do not hear enough from our families; and when we

recognize why -- you have to take time off, busy schedules, juggling the household, etc.

So I just want to thank you for coming out here and advocating on behalf of-- I know they're your children; but I live here too, so I consider them my children as well.

So thank you very much.

SENATOR SWEENEY: Senator Cunningham.

SENATOR CUNNINGHAM: Yes; Mr. Pressler.

MR. PRESSLER: Yes.

SENATOR CUNNINGHAM: You know, every time I mention charter schools when I'm in a town hall meeting in Jersey City -- you know they can be very interesting -- but whenever we have a meeting and we talk about education -- public education and, primarily, charter schools, I still hear from all of the parents there, "Well, the public schools are taking money away from the charter schools." (*sic*) It's something that continually is thought of and people believe.

I just want you to talk a little bit about that; because I'm looking and reading your statement, one of the things that I noticed, "Jersey City charter schools survive on less than 50 percent of the per-pupil funding available to schools in the district."

MR. PRESSLER: Yes.

SENATOR CUNNINGHAM: Can you just explain why that is, and what my response should be when I hear this from the parents?

MR. PRESSLER: Yes; well, that particular statistic is a result of the degree to which Jersey City receives adjustment aid; I know that was discussed quite thoroughly earlier. But the fact is, adjustment aid, as it's

distributed to districts, is not apportioned for charter schools. So the charter school formula is based on there being 90 percent funding of equalization aid, primarily. And other categories of aid -- some categorical aid -- certain things are included in the charter school portion. Adjustment aid of that type is not. And so we find in districts where a large portion of the school funding is in the form of State adjustment aid, the charter schools are way underfunded, compared to the districts.

When you average it all out, across the State, you find that charter schools get about 70 percent of the per-pupil funding of school districts; but you really have to break it down, district by district. Jersey City really stands out, along with a few others -- Asbury Park and some others -- where the number is closer to 50 percent, or even a little bit below 50 percent. It's really the result of the adjustment aid.

Fixing the formula -- as Senator Sweeney and others have talked about -- will actually fix a lot of this.

SENATOR CUNNINGHAM: Okay.

MR. PRESSLER: I mean, in a way, what is good for districts is good for charter schools. Let's fully fund the formula; let's follow the equalization aid, as it was intended. The legislative intent, way back when -- 20 years ago -- was that charter schools would receive 90 percent of that money. What has happened since then is our definition of *that money* has gotten rather convoluted. And so portions of State aid are excluded now from the charter school funding. If we go back to a fully funded formula, that problem, to a great extent, takes care of itself.

SENATOR CUNNINGHAM: Thank you.

SENATOR SWEENEY: Senator Pennacchio.

SENATOR PENNACCHIO: Thank you, Senate President.

I'm a dentist by profession; I learned a long time ago if you want to sound really smart, you cite an article in a periodical. So I'm going to cite an article in a periodical. (laughter)

*The International Journal of Education Management* talked about, more important than funding education -- which we haven't talked about -- is discipline. Now, the reason I brought this question up now, instead of saving it to the end, is because kids who come to charter schools, by nature, are a lot more motivated, as far as getting an educational experience. The question I have with motivation -- the number one yardstick of motivation is showing up. So, right now, we have a census that determines what the student enrollment is; and I assume that one census -- this is what I was told -- sometime in October, determines the entire funding stream for the entire year. What percentage of students who start the school year -- generally speaking, if you have those statistics -- end that school year? Is it 99 percent, 90 education, 80 education?

MR. PRESSLER: So-- Did you want to answer for your schools?

MS. FANTASIA: Well, for our school district -- it was kind of calculated in an odd way. Because let's say a family lives in district; they live in our Bergen District, which is Garfield, Lodi, Hackensack. If that child moves from Garfield to Lodi -- they leave for one day, technically, and they're re-enrolled back in every time they change an address -- they show up in our register as leaving the school. So our data-- I don't have that off the top of my head; it's kind of convoluted to be able to say who starts and who ends at the end of any academic year.

SENATOR PENNACCHIO: Well, that--

MR. PRESSLER: There was a time when the mobility rate was reported on annually for all schools. And in those days-- And it's no longer done; but charter schools have always had a very low mobility rate compared to district schools. There are a variety of reasons for that, one of which is that if you're enrolled in a charter school and you move, you can actually stay in that charter school -- as Dawn explained -- by re-enrolling in your new district. So the mobility rate in charter schools is generally low.

What's important to be clear about, is when a student leaves a charter school, they lose the funding. So even if it's after October 15, they will still -- their funding will still be based on the total average daily enrollment, and that is adjusted for at the end of the school year.

So you sometimes hear this myth that students come into charters, and then they leave, and the school still gets the money. Not true. What happens is, the students leave; if they leave after October 15, there's just an accounting for it at the end of the school year with the school district. There's no way they're going to pay that money if the kid's not in the school.

So the myth is that charter schools receive funding for students, who leave, and they keep getting that money. Not true.

SENATOR PENNACCHIO: Well, my concern, through the President, is not so much that they leave. My concern is that they don't show up -- truancy. We have to get these kids to be motivated. And if you just take one census -- and this is part of that formula -- if you just take one census in October, and then it's done-- So what motivation does the school district have to get those kids in that classroom?

MR. PRESSLER: Well, remember the census is an enrollment number. Attendance is maintained on a daily basis. All schools report on their attendance percentages. The State average is around 93 percent; and charter schools -- the last I checked -- were around that 93 percent, 94 percent. So attendance and enrollment are two completely different things. The census has no impact on attendance. Students have to attend school, unless they leave. And so we could take a look and see what the attendance rates are at different schools in different districts, and answer that question.

SENATOR PENNACCHIO: Respectfully, is the money based on the attendance, or it based on the-- I'm sorry--

MR. PRESSLER: It's based on enrollment.

SENATOR PENNACCHIO: It's on enrollment.

MR. PRESSLER: Yes.

SENATOR PENNACCHIO: Okay. And enrollment is done once a year through a census?

MR. PRESSLER: It's done, actually, twice a year -- the October 15 count; and then, again, on June 30 or so.

SENATOR PENNACCHIO: June 30. And it's adjusted?

MR. PRESSLER: And then it's adjusted, based on the ending enrollment.

SENATOR PENNACCHIO: Thank you.

SENATOR SWEENEY: Senator Ruiz, then Senator Thompson.

SENATOR RUIZ: I just want to make a point of clarification; and I'm not sure if you intended this to come out this way.

It was stated, Senator Pennacchio, that charter school students are more motivated. All of our students are motivated; it depends what their circumstances are.

I just -- I am very sensitive to the conversations we have; because sometimes, in our ability to express ourselves and using different language, is what creates the animosity amongst traditional public schools, versus our charter public schools.

So I just wanted to make that point of clarification. And I'm sure that's not what you meant.

And I did have another thought with the funding -- that you were asking, across the board.

I think one of the issues -- and this is for all of the members on the Committee; and I'm not sure if it is something you experienced -- some of our charter schools can pool from different municipalities. What ends up happening is, oftentimes, the host facility pays for a student that, perhaps, is living in another municipality. And I know that we're trying to make those changes; and the charter schools are getting more aggressive to be sure that the town that is responsible for the child is the one sending the tuition.

MR. PRESSLER: Yes.

SENATOR RUIZ: So that there isn't an extra burden where the actual school is physically located.

SENATOR SWEENEY: Thank you, Senator.

Senator Thompson.

SENATOR THOMPSON: Based on your comments that you've made here, and that of an earlier presenter, I think that charter schools need to be complimented and commended.

You speak of your charter schools get less funding than public schools do. One of our earlier presenters complained about the fact that, here in Newark, the charter schools have the laptop computers and everything else; it's just like having a public school, but they can't get. If you get less money, and you're able to supply more -- congratulations and commendations. (laughter)

MR. PRESSLER: Well, I think that, you know, when we think of innovation in education, I generally think about what goes on in the classroom, in terms of instructional techniques and curricular approaches. But there is also a lot in the business operations of charter schools that has evolved out of the need to do more with less.

And I think facilities is a good example. We get no public funding for facilities, and yet we somehow manage to get them. There's a lot, I think, that we can learn from looking at some of these innovations that we're hoping-- We've had 20 years of charter schools; but we're hoping for the next 20 years -- is that there's going to be a lot more sharing of information; that there's going to be a lot more collaboration. This effort, by this Committee -- which has to be the toughest job in the State of New Jersey right now -- this effort, I think, is going to do a lot to break down whatever barriers continue to exist that prevent us from doing that.

SENATOR SWEENEY: Thank you.

Senator Oroho.

SENATOR OROHO: Yes, just one thing.

You bring up-- And thank you very much for the report on the issue of the sharing of services, and what not. Because across the State of

New Jersey, the more that we can do to help surrounding municipalities share services--

MR. PRESSLER: Yes.

SENATOR OROHO: I know Senate President has had a bill for many years, with respect to the idea of the sharing of services and, obviously, it's working; and we want to continue to see how we can expand it.

So, thank you.

SENATOR SWEENEY: Thank you, Senator.

Does anyone else have any question for this panel? (no response)

If not-- Sir, did you want to say one more thing?

MR. FRAZIER: Yes.

If possible, I definitely want to end with a-- Because you guys have spoken on certain things that you might have heard, or might have come across the table.

And one thing I definitely want to give an (indiscernible) to is, the parent engagement involvement at our schools. I'm the Co-Chair of my parent organization at my child's charter school. But even just as important, I'm also a parent representative on the Board of that charter school. So I am in a position of information; I'm in a position of sharing information. And that is my holistic job throughout the whole network of our charter school -- to continue to build parent engagement and advocacy towards the information that I'm sitting here receiving; that it gets back to my parents. And it is definitely an effort of the school to make sure I have that platform to do that throughout our school.

And lastly, there was, earlier -- it was said here -- that there was a situation where we're in the same school building of the traditional public schools. And I -- it was ironic, because I was a parent at that school, and I know about that situation. Yes, we did have air conditioning; and we did have things added to the school to help improve the conditions, and the culture, and the atmosphere of that school. And I know, as a Board member, that we definitely asked the traditional school downstairs if they wanted the same opportunity; and that we would pay for it, and help them have that in the school so the whole building is air conditioned. And they gave us an understanding why it couldn't happen--

SENATOR OROHO: Wow.

MR. FRAZIER: --versus we didn't even offer, that we didn't want to have a synergy, and didn't want to have a connected relationship in this building with the different bodies of parents and schools.

So there is definitely a collaboration going on in the City to make sure all parents are equally important and they understand what's going on; and working together to move away from this us-versus-them thinking. And it's important that when people bring information to you -- the professionals, the educators -- we, as parents -- we have a bit of information on education also. And as the first teacher to the parents (*sic*), we definitely want to make sure that we are always in a position to have this voice to be heard.

So I want to thank you guys for this opportunity.

SENATOR OROHO: And that's the rest of the story.  
(laughter)

SENATOR SWEENEY: Thank you.

SENATOR OROHO: Thank you.

SENATOR SWEENEY: Is there anyone who signed up who I didn't call?

Please.

JAMES DALEY: Thank you.

SENATOR SWEENEY: Thank you, guys.

MR. PRESSLER: Thank you very much.

SENATOR SWEENEY: I apologize if I missed it.

MR. DALEY: No worries; I'm patient.

SENATOR SWEENEY: Boy, am I glad I asked.

MR. DALEY: Thank you, Mr. President.

My name is Jim Daley; I am a Board member of the Clifton School District, just a little north of here. And I want to thank you for the opportunity, Mr. President and Senators.

I just want to give you a snapshot of -- about Clifton District; because a lot of this -- it's about fair funding, and I think we're right in the crosshairs of this, when I describe the District.

I'm also going to read into the record -- of which you have a copy of -- the status report of where we are in our budget process. Because I think it gives an accurate snapshot of what a lot of districts are looking at now; because, obviously, the funding is flat, for the most part; and our expenses are rising more than that.

But just let me give you -- first of all--

SENATOR SWEENEY: Just for your own sake, you don't need to read this into the record; it will be part of the record.

MR. DALEY: Okay.

SENATOR SWEENEY: If you want to talk about it--

MR. DALEY: I could go through it, yes.

SENATOR SWEENEY: Yes, that would be--

MR. DALEY: But I'd like -- it does highlight some facts that I think are helpful to when we have -- if you have questions, you can--

SENATOR SWEENEY: Well, by submitting it, just so you know, it's part of the record.

MR. DALEY: I understand that. But I just -- for the purpose of conversation--

First of all, Clifton is -- we have 11,000 students in the District, with a population of 85,000. We have 1,700 employees; we have about 1,000 certificated employees.

Our tax levy is \$128 million; and it-- There was a conversation here before about adequacy, in terms of what districts fund. I think we're either 100 percent or over 100 percent of adequacy, in terms of what the local taxpayer pays. And that's kind of what happens at the basis.

We have-- In the SFRA formula, we're supposed to be getting \$76.6 million; we get \$26.6 million. That's a deficit of \$50 million. If you look at your chart -- if you go to the bottom, like, 10 or 20 of the districts -- I think the biggest numbers are both the Clifton District and the Woodbridge District in Middlesex County, where we live.

We have a very diverse District; we have -- somebody said they had 50-something languages. We have about, by the latest census count, about 76 different languages spoken in the home. So when I grew up, it was called *lily-white Clifton*; it's far from that. During my tenure on the Board, I'm pleased to be part of -- where we have our first African American

elected official in the City of Clifton, the first Latino elected, and the first Arab elected. So it's a diverse District.

And we have many challenges; about half of our students are free or reduced lunch. So we have -- we're kind of a mix of urban and a little bit of suburban. So I wouldn't put us in the urban category, and I wouldn't put us in the suburban category -- but we're in that middle part. And Clifton is a great town because of its diversity and able to (indiscernible).

We provide our students with an excellent education. Our cost per student -- and this includes our special ed students -- is just under \$14,000 per student. So we do a lot of things with very little money; we're a very lean District, and we're a very effective District.

But just to give you a snapshot -- I'll read it very quickly -- during our budget, this was a status report we gave. I'm Chairman of the Finance Committee and, for ethics purposes, my Board President authorized me to speak on behalf of the District on these matters. So I am not violating any ethics laws, as you are keenly aware how that applies to Board members.

In our current budget coming up, a vote of the members of the Clifton Board of Education must be adopted, as you know, by the beginning of May. The process of putting the budget together was started by the Administration, in consultation with the Finance Committee, starting in December. We still need to do much work, but this is where we are.

Since the 2009-2010 budget, the annual increase in the tax levy to the taxpayers of Clifton for education has been 2 percent or less for each

of the last eight years. This approach was initiated before the State cap of 2 percent was imposed. Although in recent years the Board had the ability to raise the tax level higher than the 2 percent by the use of waivers, the Board has taken the position that 2 percent was to be held in recognition of the unfair tax burden that our fellow taxpayers currently bear.

Revenues from the State and Federal sources are projected to remain flat; which means our overall revenues will increase less than 2 percent, while expenditures grow greater than the 2 percent if we are to maintain the status quo of what the Clifton Board of Education is called upon to pay for.

Historically, the Clifton Board of Education has a long-established record of maintaining high educational standards at one of the lowest costs per student of any district of its size. Currently, the number is approximately just under \$14,000 per student. In our current budget -- which we're working under -- the Administration needed to cut 24 certificated positions to have a balanced budget. This impacts the students we educate in our elementary, middle, and high school. We can no longer continue to sustain such cuts in personnel and maintain our educational standards. It is also equally unfair to have the Clifton taxpayers bear a greater financial burden than the City already carries.

The source of this crisis lies squarely at the feet of the State Legislature and the Governor, which I am sure you are all aware of. And it's not to be a target; but that's a fact of life, as I think we all agree upon.

And I just went through -- just went through what we get in -- over a shortfall here. So we receive less 35 percent of what we're entitled to under the SFRA formula.

We were always under the impression that -- until we started looking into this -- that the formula was funded by the State; I believe, you funded it at an 85 percent of what's required. Yet we receive, obviously, less than 35 percent. Yet I think it's over 200 districts get over 100 percent of that formula -- something you already know.

We will recommend -- the Finance Committee will recommend a budget to the entire Board that is frugal and responsible; yet we are also committed to ensuring that our students receive the education they deserve while maintaining the 2 percent tax levy. Without receiving at least some of the funding we are entitled to, the Finance Committee is prepared to make necessary cuts to expenditures without impacting the staff responsible for educating our children and our students; and at the same time, keeping our tax levy within that 2 percent.

The ball is clearly in the court of the Legislature and the Executive Branch of our State, as to what course of action the Clifton Board of Education must take under these circumstances. We continue to fulfill our obligation; the State needs to fulfill theirs.

Now, just a little bit-- We've talked a little bit about tax abatements. Fortunately, I have a background in it because one of my positions -- I worked for the City of Newark, when Mr. Gibson was Mayor, and one of my jobs was to do tax abatements. So I did them by the bushel.

The problem is not the tax abatement; the problem is where that revenue goes. We are clearly to the point where that needs to be part of the educational process. And we're not naïve, and I'm not naïve; I've been around the block many times. You know, you're not going to do that overnight, but it does have to be phased in and adopted.

So I'm not speaking against tax abatements; but that definitely has to be part of the educational formula. It's the same as if we were collecting taxes. So, you know, if it walks like a duck, quacks like a duck, it's a duck. So if revenue is coming into the city, that has to be counted. Just help support your education process; otherwise, we're never going to have a fair system.

The other thing I wanted to-- Just a little bit of-- It's not so much on funding, but graduation rates. Everybody cites graduation rates. That's not a State standard. Every district has different standards; most have either 60 or 65 percent passing rate to make standard. The City of Clifton, despite our challenges, we've maintained a 70 percent-- I think we -- you need to get a 70 percent rate or higher to graduate high school. So I think we have about -- I might be a little wrong here -- like, 92 percent graduation rate. And we send our kids to all -- Ivy League schools, military academies, whatever.

So we do maintain a high rate of education, and we're very conscious about maintaining that. And that's why when we -- if we have to make cuts, we're not going to make them on the line that directly affects our students.

SENATOR SWEENEY: Thank you.

MR. DALEY: I'd be happy to answer anything; I could talk forever.

SENATOR SWEENEY: No, I--

MR. DALEY: But I think you get the picture.

SENATOR SWEENEY: No, and I'm glad you brought up the one thing; and I'm not going to prolong this.

We're not against abatements. My whole statement is, is that if you're not supporting your school district, then it has to be part of that abatement.

MR. DALEY: Exactly.

SENATOR SWEENEY: You know, and at the end of the day, that's the argument. It's not -- there is nothing wrong with PILOTs; but you can't underfund your school district and expect the State to pick up the tab. That's the issue.

MR. DALEY: And I agree with that wholeheartedly.

SENATOR SWEENEY: So, I mean, to be on the record, to be very clear: We're not against abatements.

Anyone?

SENATOR PENNACCHIO: Yes.

SENATOR SWEENEY: Senator Pennacchio.

SENATOR PENNACCHIO: Just to strengthen that argument-- I mean, if a mayor can go to a developer and say, "You know, we're going to give you a PILOT, but we can't be as generous now, because now we have to include in a part of the school funding formula." So we actually helped that mayor in that decision process. (laughter)

MR. DALEY: Well, one last point.

Tonight we have a Municipal Alliance Committee that -- members of the Board of the Education meet with members of the City Council. And we're a town where everybody knows everybody else. They're talking about doing the -- because Clifton doesn't usually do abatements -- so tonight they're hearing-- You're hearing this before-- I'm going to ask them to -- we need to get into an agreement where you cut a

piece of that money out for us, and you can do that under a local intergovernmental agreement. You don't have to wait for any legislation to do this.

So one of the questions I have for you folks-- When you get down to the appropriations part of this, you have the ability -- you know, we have the formula, we all know what it says -- to start to adjust that; or at least, attempt to put up a bill that starts to adjust that before we get into the overall detail. Because there are a lot of plans out there; we won't see any other plans that will (indiscernible) than we are, right now, in the City of Clifton. But that's the question I kind of have for you folks.

SENATOR SWEENEY: That's going to be part of the discussion.

MR. DALEY: Okay.

SENATOR SWEENEY: That's going to be part of the discussion. And just-- The counties get 5 percent of a PILOT for one reason: I legislated it. Otherwise, they wouldn't have gotten anything. It was a piece of legislation I advanced. I tried to go back and get 10 percent, but I almost had my head chopped off. (laughter)

But thank you.

Anyone else? (no response)

If not, anyone from the panel have--

MR. DALEY: I wish to thank you all very much for--

SENATOR SWEENEY: Thank you. This was a--

MR. DALEY: --tolerating us here; and I know it's a tough job for all of us.

SENATOR SWEENEY: As you can see, this is a very tough issue. This panel has spent quite some time; and we have another stop in Senator Pennacchio's District. But we're going to keep at this until we get it right.

Thank you.

MR. DALEY: Thank you.

**(HEARING CONCLUDED)**