
Committee Meeting

of

JOINT COMMITTEE ON THE PUBLIC SCHOOLS STATE TAKEOVER SUBCOMMITTEE

*“Testimony from Commissioner William L. Librera,
Assistant Commissioner Gordon A. MacInnes, and Benjamin Rarick”*

LOCATION: Committee Room 6
State House Annex
Trenton, New Jersey

DATE: March 6, 2003
12:00 p.m.

MEMBERS OF SUBCOMMITTEE PRESENT:

Senator Wayne R. Bryant, Co-Chair
Assemblyman Patrick J. Diegnan Jr., Co-Chair
Senator Ronald L. Rice

ALSO PRESENT:

Melanie M. Schulz
Executive Director
Joint Committee on the Public Schools
State Takeover Subcommittee



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ASSEMBLYMAN PATRICK J. DIEGNAN JR. (Co-Chair): Call the meeting to order.

Roll call, please.

MS. SCHULTZ (Committee Aide): Senator Rice.

SENATOR RICE: Here.

MS. SCHULTZ: Senator Bryant.

SENATOR WAYNE R. BRYANT (Co-Chair): Here.

MS. SCHULTZ: Assemblyman Diegnan.

ASSEMBLYMAN DIEGNAN: Here.

We're honored today to be joined by the Commissioner and Deputy Commissioner.

And basically, it's my understanding, Commissioner, you're going to give us an update on where we're at, in terms of the State takeover, and what assistance we, the Legislature, can be, in terms of the entire process.

So I will hand the ball off to you.

COMMISSIONER WILLIAM L. LIBRERA: Thank you very much, Assemblyman.

We are pleased to have the opportunity, always, to come and talk with you about the status of our plans, an update on things that we have mentioned to you before. And I'm pleased to say that the work that we began, in terms of changing the State takeover law, which is a law that we think is very much in need of change by all sources, in terms of our own experience, in terms of the report that we got from Paul Tractenberg, in terms of the things that we see and hear in each of three State takeover districts--

We are slightly behind schedule, in terms of the report from the working group, and Gordon was -- had been chairing. Gordon chaired the group, and Ben has been instrumental in helping us do that work.

Their charge from me was to take a look at the report prepared for us by Paul Tractenberg and the others from Rutgers, on State takeover, and to look at it carefully and discuss with other members of this 30-person committee, which represents the three communities, as well as those people who have worked closely with these issues over a long period of time.

And though we thought it was possible to have that work completed by October 1, we were much too optimistic, in terms of that time table. And we could have had something by November, but instead we chose -- I think it was the decision by the board -- was a wise one -- to continue to work on these topics to see if we can't get as close as possible to consensus on issues. That's taken us a long time. But I think that report, if I'm not mistaken, will be available to -- will be presented to me within two or three weeks.

When we get that report -- when I get that report, what I'm going to do is evaluate it and begin to work on a draft of changes in the State takeover law. And when we get to the point of having drafts available, then we're going to share them with the appropriate committees and then, eventually, with the entire Legislature, as would be indicated by the responses to the draft.

What I can tell you is, after the work that we've been doing for more than six months on the takeover law and, in particular, issues in the takeover districts, we see a number of problems that are among the highest priority in this change. And they are among the highest priority, and I'm giving

you, at this point, more my perspective than the perspective of the committees, but I think it gives us a basis to discuss things for today and beyond.

The basic problem with the State takeover law is that it doesn't really provide for adequate transition from State takeover to the return to local control. In the places where that has worked in this country, it has been a gradual process. It has been one that would permit greater local control after it was clear that some parts of local control were handled well. And we need to do a better job in the transition areas. We're working on some of those right now. In some cases, they're working well, and in some cases, it's been difficult for us. But if you don't provide for a transition, if you don't provide for a gradual return, based on how well the district is doing, you find yourself in all-or-nothing-at-all situations, which is part of the problem of what we have.

When you look at the report by Paul Tractenberg, and this really corroborates our experience, what you have, in the successful experiences of takeover in this country, is the return when districts show substantial improvement -- not complete improvement, substantial improvement. That is, there's plenty of indication that things are better. They're not done, they're not finished, it's not a question of 100 percent compliance, but it's strong evidence that the things that were identified to cause a problem in the first place were being addressed. So we have problems of transition that, clearly, are going to be reflected in the State takeover law.

We also have problems with governance. One of the problems that we have is that people are -- this is just one example. Right now, we have people elected to duly represent their constituents, but have drastically or significantly limited authority, which creates a number of problems -- in terms

of working relationships, understanding on the part of the community, and frustration -- because being a board member is very difficult work. Being a board member, under ordinary circumstances, is very difficult work. When you're a board member in a situation where most of the authority that makes a difference, in terms of how schools are run, are things that are not a part of your responsibility, it's very hard to understand.

So we are also looking at the governance issues, as well. We're looking at different models, looking at different arrangements. And we also think that one feature of the State takeover law, which asks a community to make a decision as to how they will be governed -- that is, whether it will be by mayoral appointments or by the electorate, directly, or any kind of hybrid -- to have to do that in one year, we think, after returning it to local control, is inadequate and insufficient. And so we're looking at other ways in which governance can be changed positively.

The final thing that I'd like to say, and then I would like to give Gordon an opportunity to add to my introductory remarks -- same with Ben -- is, we think that it is a problem to have a system of monitoring quality and accountability in this State, which essentially breaks out into two areas. One is, monitoring for everybody else, and then monitoring for Abbotts, as if there were two sets of rules.

Instead, this ought to be a continuum that represents what all districts should do, just like what all kids should learn. And then along that continuum, depending on where you -- what kind of progress you're making -- there ought to be intervention where it's appropriate, support where it's

appropriate, sanctions where it's appropriate. And this all ought to be a part of one system that monitors quality.

So the State takeover law changed that. We are going to recommend, eventually -- is very definitely going to be integrated into the State monitoring system. There can't be two systems. There has to be one.

Gordon.

ASSEMBLYMAN DIEGNAN: Why don't you go ahead Gordon, and then we'll have questions after that.

A S S T. C O M M I S S I O N E R G O R D O N A. M a c I N N E S:
Thank you, Mr. Chairman.

Let me introduce my colleague, Ben Rarick, who has been the Director of the Office of State Operated School Districts for, what, three years now, Ben?

B E N J A M I N R A R I C K: Three years.

ASSISTANT COMMISSIONER MacINNES: Three years.

Let me just amplify one part of what the Commissioner discussed, because I think it's frequently not appreciated -- how the present law really prohibits the return to local control. However well all of the factors that were cited in the comprehensive compliance investigation, which led to takeover under the existing law -- where the financial management of the district may have been restored to reflect a high standard of practice, where the instructional program is coherent and everything is working like it should-- Even with that progress, it would be impossible for any district to meet the standards, and there are two explanations for that. I just wanted to share them, briefly, with you.

First, the standards for certification have changed radically since the 1987 law was enacted. We didn't have a core standards, we didn't have State assessments, we didn't have the Abbott educational remedies, we didn't have No Child Left Behind, and the standards for adequate yearly progress. So we have certification standards that don't reflect the work that is actually receiving most of the attention in the Abbott districts. I mean, if you represent any district that is a non-Abbott district, but which is subject to the new Federal law, No Child Left Behind, that is a district that is paying a lot of attention to the new Federal law -- because the incentives are so strong and they produce such drastic public consequences that everybody is really focused on this Federal law. None of that work would be reflected, given the 1987 law. We need to adjust this so that there is a fair chance.

And by the way, the way to state this -- and it supports the Commissioner's last point. There are an awful lot of high-performing districts that could not pass the test that we're now expecting Paterson, Jersey City, and Newark to pass. They couldn't meet 100 percent qualification in all the certification standards, because those standards have risen.

So what we want to have-- We want to have, yes, 100 percent on some standards. Can you produce an annual audit that is unqualified, and that is done in a timely way, and which assures the reader that the financial accounting practices are as they should be? There's no give on that. You've got to be able to produce it. You can't have 80 percent compliance on that. That's got to be 100 percent. But what about a standard that talks to the involvement of the community and parents in the life of the school? How do you measure that? And once you've decided on how you measure it, can you really ask that

that be achieved at the 100 percent level? No, you want to see a pattern that that's getting attention, that there is steady, significant progress. And you set a threshold. Once you get to 80 percent, then you've -- we check that and say we consider that to be a standard that has been met. Under the existing law, we can't do that. Even though common sense and good practice would say that that's how it should be done. I just bring that to your attention.

COMMISSIONER LIBRERA: Ben, would you like--

MR. RARICK: I think that covers it.

COMMISSIONER LIBRERA: Okay.

I would just like to close with one thing that needs to be said every time we're talking about the State takeover law. There aren't too many things that I did in 1987 that wouldn't have been altered, slightly or in some ways, some 16 years later, and I think that that needs to be said as part of this context -- that something began in 1987 called State takeover law in this country. And the first one was in the State of New Jersey. The first state takeover in the country is in Jersey City. So when that occurred, we, meaning the State of New Jersey, embarked on this with no models, no other patterns in front of us. And over the years, there have been plenty of attempts to try and make some changes that didn't occur.

And where we are now reflects the problem of trying to continue to apply something that was, perhaps, the best practice or what was our best intention 16 years ago, but today there are very different realities. Our practice needs to reflect that.

We'd be happy to entertain your questions and discuss these issues with you.

ASSEMBLYMAN DIEGNAN: Before I turn it over -- I know Senator Rice has several questions -- but I just want -- you don't have to answer it if you think it's premature -- but in terms of the three districts, in a thumbnail sketch, can you give us a sense of where they're at, and are they close to being at that, what you would consider to be, transitional stage?

COMMISSIONER LIBRERA: Yes, but with some heavy context around it. That question can only really be answered when you have the change in the State takeover law and when you fully evaluate the district against that. That's really the time when it can be answered.

I think it is safe to say, however, of the three, Jersey City, by most indications, seems to be the one of the three closest. And that has to do with a number of factors, not the least of which they have been under State takeover for the longest period of time. There are other factors, as well, including the issue of that, plus relative stability, in terms of the superintendent -- State-operated superintendent. So I would say that.

And then I would say in Paterson and Newark, depending on the category, we would say one is very close. As an example, I would say Newark, probably, is closer than Paterson, in terms of financial operations -- two years of unqualified audits. Paterson has some very encouraging achievement. So I think it's safe to say that of the three, Jersey City is closest in the whole of these categories, and then Newark and Paterson differ in certain areas. Some are stronger in one and not so strong in the other.

ASSEMBLYMAN DIEGNAN: Senator Rice.

SENATOR RICE: Yes, thank you, Mr. Chairman.

Commissioner and staff, good morning.

COMMISSIONER LIBRERA: Good morning, Senator.

SENATOR RICE: Let me ask a question first. Why do we take over school districts?

COMMISSIONER LIBRERA: Why do we take over school districts?

SENATOR RICE: Yes, what was the intent of that legislation? What was the justification for it?

COMMISSIONER LIBRERA: The justification for it, as I understand it, was that those districts gave repeated evidence of not solving fundamental problems themselves, such that the State determined that those problems had to be addressed by the State supervising the district.

SENATOR RICE: Okay. I asked that for a reason. The State justification -- and it's documented for the takeover of Newark and Jersey City, etc. -- was mismanagement and corruption.

Now, given that that may be, whether it's real or not, that was the justification. There are those of us who didn't believe in the takeover law. I voted for it, but I didn't believe in it. I had my own bills in, and no one would entertain them, to try to get around that.

The concern we have is that if you take a district like Newark -- and I was listening to what you were saying, and I don't dispute that. But it's very interesting that the Newark district can be where it is today, and we still have not gotten the accountability from the district. When the State took it over, under the auspices of mismanagement and corruption, there was a surplus in that budget.

The State ran it with an outside superintendent, and all of a sudden, we came up short \$70-plus million. But yet, those dollars have never been replaced, you're cutting us like hell -- that's all the districts right now -- but yet we're able to, kind of, stay the course to, at least, meet some of the criteria required by the State, which is totally different in Jersey City, regardless of how long they've been there. I wonder if I have the \$70-plus million, where would Newark be today based on where we are.

I'm raising that, because when you speak in terms of looking at the State takeover law and making changes, we disagree. There's legislation in, sponsored by Senator Ron Rice, that said abolish State takeover. I don't believe State takeover, or takeover of anything by government, is good, whether it's takeover of local government, takeover of school boards, takeover of State government by the feds. But I do believe that if, in fact, there's truly documented mismanagement and corruption, it needs to be addressed. And so what we need, and what we've always argued, particularly in the minority -- that we need legislation to address improprieties and hold people accountable, not takeover. There are a lot of ways that can be done that requires the State involvement. Maybe with inspector generals it will change a little differently -- the State go in there and being there, just like when local government finance services come in and say, "We're going to work with your mayor." You know, and hold people accountable to work directly with you.

So the first thing I'm arguing -- because I can tell you this, it's going to become a real street battle, and I really believe that we will get more people involved with this fight -- I'm tired of fighting this government and this Governor. We'll get more people involved, who have never been taken over. All

we have to do is let them know that the potential of the legislation -- you can be taken over, and we don't believe should be taken over, for these reasons.

So I think they would join with (indiscernible) in the march against the takeover law. What we need to do is structure some accountability laws. If it means putting some real serious criminal penalties in there, and doing some other kinds of things, that needs to be done. But I, for one -- and the constituency base and this majority that I represent -- and I think I can speak for Paterson at this point, and probably Jersey City, too. We don't want to hear the word *takeover* any more in any legislation, so you need to-- It's suggested by me that you eradicate that from your vocabulary and your thought, and talk about accountability law, or whatever we call it.

The other concern that we have is, if, in fact, we go on the premise that we're not going to be talking about takeover legislation, we're going to be talking about accountability legislation, then we need to talk about this process of giving these districts back. Your mind's already focused, okay? And I disagree.

There is a process, under the statute, for giving the district back. So we can't say there's no process. What we can say, Gordon, is that the process that was intended is not suitable, and probably not workable, primarily because if we gave the district back under that statute -- which the process says after five years, you can make the recommendation and get the (indiscernible), to the superintendents there, and all that stuff -- the transitional-- That doesn't get us to the point-- If we're making progress, how do we maintain that stability with the progress and enhance it from that point on? I think that's where the problem lies, and that's where we have to be focusing, as to the district.

And I raise that to ask this question in particular. I keep hearing about these working groups. I have legislation in, and I've made this request personally. I believe that any legislation, since you have the working materials coming to you for review -- any legislation -- I'm going to be adamant about having the superintendents of the districts, presently-- And I've heard nobody cry yet about the superintendent in Jersey City. And you're indicating that they're probably in better shape than all of us. The superintendent of Paterson was just voted six to one to be recommended to stay there. And I think everybody knows how we feel about the Newark superintendent, regardless of the politics. So whether they remain in place for a period of time or not, they should be at the table talking to anyone that's drafting legislation. I think that some of the union personnel from those cities, whether we like them or dislike them, should be there. And the reason I'm raising that -- and some of us who represent those districts should be at the table, because if it's going to be administrative legislation, then let me tell you, the greatest barrier to get that moved is going to be me. And what that means is, if I'm the greatest barrier, it means I'm going to structure my own legislation with those people and with my colleagues who want input. And I'd rather not do that. I'd rather us to walk out, regardless of how painful it is, with the right piece for giving it back.

The reason those individuals become very important to the process is because, whether we like their personalities or not, they're the very people that have been working with more than one commissioner and with the State, trying to put in place and do the things that we required. But they also are the same people who did the moaning and groaning about what shouldn't be done, why can't it be done, or whatever.

We need those elements, if you will, to be analyzed. All right, we did this. It's like a car. Let's fine tune it. What were the problems we had? What's the good, what's the bad, what's the downside, the upside? What can be fixed, what can't be fixed? And that's why that becomes very important. And if it's not done that way, I'm not going to be a happy camper. I can assure you, on this Committee, Assemblyman Tucker is not going to be a happy camper, Craig Stanley -- I can speak for those two -- not going to be a happy camper. I know, legislatively, Senator James is not going to be a happy camper. I'm talking legislative now. And I'm not so sure if Joe Doria is going to be a happy camper. And to be quite frank, I won't speak for him, because he's here, but looking at where Camden is, I'm not so sure if Senator Bryant is going to be a happy camper, and others. So we need to, at least, have that kind of input into that process of legislation.

Is that doable? Is that possible? Do you intend to do that, or do I have to keep yelling this thing? If you're telling me, "No, I don't have a problem with that," I'll just tell staff, "Let's start a meeting," so I can start to put my bills together.

COMMISSIONER LIBRERA: The answer to your question is yes.

Let me go back through a couple of the points that you made. And let me say, again, that though it-- You offered them as examples of areas where we disagree. The fact of the matter is, I see more agreement than disagreement. We have some differences, in terms of how we're terming things or the way we're describing things. We understand your point very well about the State takeover, and we have been as clear, I think, as any administration, about the fundamental problems of State takeover, and that is you can't take over a

community. And that's the fundamental problem. And that you can do things in the way of intervening where appropriate.

And we may-- And you may see in the change in the overall monitoring system, which is an issue of accountability, that we're going to change the law so that it fits into the overall monitoring system. There may be things like, on certain occasions, the business office of a district is taken over by the State. That may happen for a period of time. The personnel office may be taken over. Taking over the whole district, I think, is very unlikely. And I don't want to speak for -- because of the obvious problem -- of saying, "I've got a lot of people working on this, but, by the way, here's the outcome." I don't want to say that.

But I will say that, insofar as I'm concerned, I think that what happened with the present State takeover is, even if you accept all the reasons, and you say that we're right for the intervention in the first place, there's a point in time where you have the law of diminishing return, because you're still there and because you blunted the local community's opportunity to take responsibility and be accountable for their schools and for their children. And you can't do that, and you can't ever do that.

And so we see ways in which intervening at different times-- And we've already started to do that, not waiting for lengthy reports. You see conditions, and then we arrive. And then the whole idea is that that arrival is as temporary as is absolutely necessary. And then you begin to recede from there until such time that you see either all kinds of progress, that you're no longer necessary, or the same recurring problems, in which case you've got to

escalate and go back in. That's what I think you're going to see, in terms of our work.

Now, the mismanagement issue clearly is in all of the State takeover proceedings, and I've read them all. But I think, larger than mismanagement is the whole issue of identified problems and an inability to solve those problems, bigger than--

And there are places that would surprise most people in this state, school districts that have aspects of what they do that are not very good -- sufficient that the State may, very well, have to intervene and supervise directly. Making mistakes is not the sole province of urban school districts. We all know that. And we have to move in the direction of one system that monitors quality that is very clear, that is fair, and that people understand that. And then there are sanctions and rewards according to where you are. So we don't disagree with that, at all.

I think that -- and I'd like Gordon to speak to this -- when we were trying to work on this recommendation -- his working group -- we always have that problem of, how many people do we put on a working group. We put 30, and I think he'll speak to who we invited, because we did have elected representatives. We did have association people. We tried to make it as representative as possible. We want to take the work that we're doing and work through obvious stages of involving people. That's how you build something that's really strong. If you end up excluding people, handing something over to people, you fight a whole other counterproductive way of doing things, which we don't want to do.

Gordon, can you speak a little bit to the representatives?

And, Senator, if I've not dealt with any of the issues you've raised, please let us know, and we'll be glad to go back.

ASSISTANT COMMISSIONER MacINNES: Yes, the working group consisted of-- We asked the chairs of each of the advisory boards in each of the three takeover districts to serve or to designate somebody. We asked for the representation of the teachers' representatives in the three districts, which was represented, I think, by the NTU directly and, at least on occasion, representative from the NJEA from -- to represent Paterson and Jersey City, that are both association unions. We had people from the academic community, who've spent a lot of time looking at these issues and who were involved in the report. We had people from-- We had parent representatives. We had community representatives, people who have been active with neighborhood advocacy groups, on behalf of education. We had people from the Education Law Center. I'm trying to go around the table. We've had--

MR. RARICK: You had former superintendents.

ASSISTANT COMMISSIONER MacINNES: That's right, we've had former superintendents.

So we had a pretty good cross section of people. Most of them were from the three communities affected.

And by the way, Senator, I just add one thing to what the Commissioner said, if I could, not directly in response to his request, but in terms of something you said.

The only reason we're talking about takeover is we've got three districts that are affected by this law. I think that it's very clear, looking at some of the problems that we've identified in other districts that clearly are, at

least, as great as the problems that were cited when these three districts were taken over. We're not moving in that direction. The only reason we're talking about it is because we do have these three communities. And we believe that, if that 1987 law isn't changed, we're going to be in perpetual operation of it.

SENATOR RICE: I'm going to let the Senator speak, and I'm going to come back to you, okay?

SENATOR BRYANT: Let me ask the question, because I thought the bottom line on takeover, basically, was that we're supposed to improve the quality of education of students. And I voted against it, because I didn't think the legislation did any of that.

But one of the byproducts, that isn't always good, is to see a State or an entity think that they're doing something and, for once, they might have to admit that what is actually transpiring, in very troubled districts, is a lot larger than what it is that we can-- Because we did everything. You cut out contracts. You don't have -- all your upper-level folks you can bring in. So you had it all. You put in more money. You did anything you wanted to do. And yet, the bottom line of educating folks from very distressed areas is a very difficult task. Because, before that, we blamed everybody. We blamed all those folks. "You must be the worst in the world." And they did have bad financial systems. They might not have done curriculum as well as you wanted. But we learned an important lesson, hopefully, out of this. And I'm not sure how you're going to correct this in whatever we do -- what we call takeover. Is that it is not as easy with kids coming from social economic conditions, wherever they are and whatever it is -- is to turn their lives around, even if, in fact, you have total control over everything. And to me, it's been a blessing to those urban areas

that have been struggling, because they've been trying to take a part in that for years. This is more and more daunting than we thought.

So I'm hoping whatever you come up with -- that you recognize that you don't put standards out -- not that you shouldn't have standards -- but you don't have expectations larger than what are real. And we now have a 16-year experience. And we look at our students that we did for 16 years, and you measure it against, say, maybe a Burlington City. You haven't done any better. So you can't put standards out there that are greater than what we can achieve, with carte blanche authority to do everything. It doesn't mean that you don't want folks to strive, but we ought to be reasonable, based on social economic conditions, and talk about how do we end up changing some of those, because I think it's linked to what's happening in those communities.

Where I might differ from my colleagues, in terms of whether you call it takeover or not, is whether you have some joint efforts by the State involved. And when I say joint, you can have some elected officials, you may have some appointed by the mayor, you might have some from the State, in order to be, sort of, a partnership, as opposed to never having any elections, never having anybody on that. And I think you might need a mixture of folks who are sitting on those boards, coming from those districts, that might have some dialogue.

Let me ask you, are you thinking in terms of whatever we do for districts that we think we need to intervene in? And that's what I'm talking about. (indiscernible) Evaluating them, now, in a new light of what we've now found through our 16 years of experience -- that are very retractable -- untractable conditions that we have in these very tough areas, where the social

economic conditions are tough. It doesn't mean they can't learn; that's not where I'm going. But assuming, in a typical middle-class community, I can move somebody from point A to point G in a year, that might not happen. And we should know that now. I might only be able to get them to point C in a year. So therefore, I might have to give them five years to get them to point G in order for them to be successful. And it's not a failure to get to C.

As to -- and then I'm going to end up-- As to the audits, I really want to know what an unqualified audit is, so that definition is really narrowed down, because there's hardly a municipality or school board that's not going to not have audit exceptions. Now, if an unqualified audit is going to be an audit with audit exceptions, that's crazy, because you'll never meet that test. I don't know anybody that doesn't have some audit exceptions. They paid somebody wrong or whatever else, or they can't trace a check to somebody else. So they ought to be-- I want to make sure those standards are fairly significant in terms of -- their affecting, say, the over -- the well-being of the community, and it's not mere exceptions, and then we end up playing the game, "Well, what exceptions did you have?"

COMMISSIONER LIBRERA: Okay. A couple of responses, Senator.

First, in the area of governance and the mix system and the hybrid that you described, that's very much a part of our thinking, especially in the transition. And it would be not just the transition, in terms of districts returning to local control, but it may also be in our system where we see some districts who are going into trouble -- and that maybe, one of the places along that continuum is, we've seen these problems not addressed for this period of time.

When you're in this status, this is what happens. The object there is, it's all temporary. And so we're very much thinking that way.

And when I was talking about the change in State takeover, we think the present law that says, "In a year, you'll decide either/or," is inadequate. If you, instead, had this hybrid for this period of time, people could see this and then have more options from which they could learn. We're interested in that -- very much on the same page there.

Second issue, in terms of what we know about how difficult it is for children in communities with high concentrations of poverty to learn at the same rate as others, is really the issue. And to that end, here are the things that we see that are important. First, the belief that given the right resources, including time, all kids can reach these standards. The idea that you're going to judge quality based on how many 17-year-olds, in October of a given year, reach a certain milestone, is a ludicrous conclusion that's been perpetuated much too long. That we believe that if you give kids a solid foundation in literacy, and that you support them in terms of their early years and give them a foundation, we will do a lot to redress the difference. However, beyond that, there's nothing wrong with young people reaching milestones six months before, six months afterwards. That's the way all of us learn. That's the way we have to talk about young people.

And above all, if you don't put something in place that allows people the opportunity to, first, demonstrate to you that they don't know how to do this, you're really in a situation that is so artificial that you'll be trying to sustain something that will never work. What we want to do is give people options as to how you get there. When you don't get there and make the wrong

choices, we will have escalating involvement, in terms of us making choices for you.

ASSISTANT COMMISSIONER MacINNES: Could I just-- First of all, about the audit-- As a member of an audit committee for a corporation, I think that what we're talking about, with the unqualified audit, is the assertion in the cover letter, for the accounting statements, that their review has found that the accounts here are fairly represented, based on information presented by the management, and that they meet the generally accepted accounting principles. Then they move to a management letter, which will list -- you know, "You're not keeping track of your petty cash fund, and here's our recommendation," and management reacts to it. So what we're talking about in that -- an unqualified sense-- I'll stop using that term. That's good advice.

SENATOR BRYANT: I don't want folks to think -- exceptions. I understand what you're talking about.

ASSISTANT COMMISSIONER MacINNES: It sends-- It's confusing. It's like the word *sanction*, which can be either punish or to approve.

I'd say on your main point, amen. And I wrote an op ed before I took this job, which said the State of New Jersey has operated its three largest districts for a combined period of 32 years, and nobody's beating a path to Jersey City, Newark, and Paterson to find out how to run city schools. And both commissioners who were involved in the takeover of two of those districts responded to that op ed by saying, "This was never about improving the educational opportunities of kids. It was always about the mismanagement and the corruption in the systems," an astounding, astonishing assertion, I thought.

And I think that we have learned-- And by the way, that's the reason we want to change the way the Abbott remedies are described -- the court decision. We have too much respect for the differences among the Abbott districts to believe that a cookie-cutter model, set on the basis of best information available to the court in 1998, is going to suffice down the road in meeting the needs of these kids. And not too far from you you've got Gloucester City -- Abbott district, 98 percent white, coming from English-speaking homes. Why would you think that the program you install in Gloucester City would work in Union City, where 98 percent of the kids come from Spanish-speaking homes? It just doesn't make any sense. And you've got to be able to show some sense.

What it means is, Trenton, the capital -- the DOE is not in a position to know so well what's going on in 454 Abbott schools that we can sit here and prescribe. This has got to be much more of a joint effort. And we've got to identify the resources the districts need. And by the way, we've got Abbott districts in New Jersey that can provide some of those resources, because they have applied what the court has directed on early literacy, in terms of getting an early start. It's working at such a level that people ought to be finding out from these places how they did it. And they ought to be doing some copying. They should look at what they're saying. That's the approach that we want to take, and that's why we're hiring people from Abbott districts where they've worked.

SENATOR BRYANT: I just have to leave. Let me just say this one thing before I leave. Don't go back to the old model where all we did as the DOE was point the finger. My theory is, DOE should have a role model of not

only analyzing, but then becoming part of the solution. So, as you tell or work with somebody, that you have as much on the line as they do, and it's not just, "We saw this was wrong. You tell me how you're going to figure it out." They give you a plan, and you okay the plan. And they say, "It didn't work. You're the bad guy." I don't want that anymore. That's how we used to do it, going all the way back. The least I want you to say is, "Yes, we, together, have made this plan, and it's a failure, or it's a success -- is part of--" It might be a failed experience. That's fine. That's what happens in life. But it's not, sort of, just the district, and we are, sort of, the monitors and the bright folks that point where you're not doing well and then blame you when you didn't come up with the right solution. I want you to be part of inventing the solution.

COMMISSIONER LIBRERA: Thank you.

Ben has a point that he'd like to make.

Thank you very much.

MR. RARICK: I just wanted to add some information to the conversation, as it related to the audit question, because I thought it was important that the Senators know that all three of the State-operated school districts have what we call, and what Gordon has defined as, an unqualified audit, which hasn't always been the case, but it is now. And, frankly, it currently is not true for all Abbott districts. But that's a success, certainly, in the State-operated school districts.

And I think it's indicative of a larger trend, which is -- whether it be in the financial realm, or whether it be in student achievement, or any of the particular monitoring indicators you want to look at -- Newark, Jersey City, and Paterson are not the lowest performing districts, and yet they are the State-

operated school districts. So that's really summing up the weakness in the law that we seek to change. There's, certainly, a lot of successes to be celebrated in the State-operated school districts, and they should be reflected in a greater amount of local control in these municipalities.

SENATOR RICE: You're correct. We were never the lowest performing districts, ever. Go check the records. But that's not why the State said they came in. That's my problem. The State said they came in not because we were the lowest performing, it's because of corruption and mismanagement. In fact, the Newark district was at Level 2, when, in fact, this law was passed. That's why I voted for it. I thought it may send Newark a message that the ability is there.

The argument with Newark was, if you check the records, that the State -- the Newark plan was approved -- that they wrote -- was approved by the State and the county. They weren't implementing it. If you go back and look at discrepancies, they really weren't that bad. What it was, was the folks -- and some of them are still around, and that's the problem I'm having with the superintendent thing -- they're still around. And the government knows who they are -- not the Governor, but the government -- if they check the records.

They were adamant about just doing things their way. And all we had to do was (indiscernible) that. They would tell you, for example, "Correct this piece right here." It was very simple. I used to have those reports. A very simple accounting thing -- didn't do it. So they say, Level 3. After a while, Governor Florio said, "The hell with this. You all are playing games with us. You're not a bad district, you're just playing games. We're not going to play

your games, because of your political (indiscernible) up here, because the students are hurting.” And that’s why we know we’re never the lowest.

But I want to go back, because it’s still not clear to me, and I really need to get something clearer. And I’m a big boy. I don’t have a problem for yea or nay, and I think everybody here knows that. You didn’t mention, Gordon -- and I had suggested this before, but people just went around me, and that’s fine. I respect that for now. Hopefully it doesn’t happen again. I suggested that working group, when it started, have chairs from the districts, as well as union reps. And I heard you indicate that. But I also said the superintendents; you did not mention superintendents.

ASSISTANT COMMISSIONER MacINNES: No, I did not.

SENATOR RICE: And I also mentioned legislators. I said, in fact, I would like to sit there and have someone from the district on my committee. We’re the education legislators -- whether people like that or not -- between the Senate and the Assembly in this Committee. And we have a lot to say, and we’re going to have our voice in that. I’d rather have the voice being a part of -- as a partnership, coming out, that we can sell to our colleagues, based on the kind of input we think.

So we didn’t do that. Now the Commissioner’s going to be reviewing whatever product you have. No problem. But, Commissioner, I really need you to consider -- and hopefully (indiscernible) will put this in writing and make it a request to share with my colleagues -- that you have an education commissioner, legislative task force, or call it what you want -- advisory -- that would include representation from the education side of this thing and the Joint Committee, because it’s still our responsibility -- oversight.

And I'm not going to let anyone ever take that from us under this statute, not the Senate Committee, nor the Assembly. We know our responsibility. And that will include the superintendents, and will include -- I know it probably will, anyway -- the Attorney General's office, and then maybe some of those other folks. But my emphasis is on having those three superintendents there, having legislative people there, whether we decide it's two or three. It doesn't make a difference. They would do a bi-partisan thing in both houses.

To me, that's a value to you. See, if I'm not bickering with you over here, because we disagree on language or disagree -- but we recognize we share the same common ground and intent, and it's a misinterpretation, then it's easy for me to digest, it's easy for me to go where you don't -- you go, but you don't have to worry about it. See, when I go to the community, I've got to worry about whether I'm going to get elected or unelected. You go, you just have to worry about whether they like or dislike you if we disagree. And then people down here decide whether you stay or not. That's a big difference. And then I have to live with that community seven days a week, as I've been doing since 1955, etc.

And so we deserve -- we've earned that input. I've been here long enough. I've been on the judiciary task forces, and I know the governors have appointed Attorney Generals, prosecutors, with such a mix. The Legislature was always on these task forces and working groups. All of a sudden, the new government decides they're going to do these working groups with task forces devoid of legislative participation, if we want it.

I really got to hear you say you're going to do that or hear you say you're not going to do it prior to saying, "Well, here's the legislation. Now we're going to meet and discuss it." At least that tells me where I have to go.

COMMISSIONER LIBRERA: Senator, I said yes, before. Now, let me say more specifically how it will be.

The working group, which I respectfully would say, Senator, reflected a lot more of what you're talking about, in terms of representation, than maybe somebody who isn't as familiar with the details would think.

What I will do, because I just think, even if you didn't ask this, it's good practice, this will come to me. I will take it. We will work on a draft. And then we will assemble another group of people. Many, if not all, of the people that you described, and perhaps some other people with perspectives -- in a manageable number, not 50 or 60 -- to take a look at the draft and help shape the draft with me so that the imperfections, the gross imperfections, are dealt with before we involve the larger audience. So what we're going to do here is work in concentric circles.

Gordon has a committee, gives it to me, we make modifications to the committee. The people that get involved are the people that you mentioned. And I just asked Ben to make sure that we clearly understand all the people you just mentioned. They will be people who will work on the draft with us that, eventually, will find its way in a recommendation to the Legislature as a whole. We will do that.

SENATOR RICE: And that's important. One thing that you may want to give consideration to, if they're not involved -- and I think Senator Bryant hit it on the head -- we've been arguing for years. If I was to put this

together -- if I said right now, as Chair of the Joint Committee, I'm putting together a commission, I would ask you to be on there. I would ask for some of my colleagues, Republicans and Democrats of both houses be on there, I would definitely have those superintendents there, but I would also consider having the Commissioner of Human Services there, and maybe even Health, because what's happening is that we're talking about making districts work, under the auspices of not takeover, but getting accountability, but the accountability is for what? To make the districts work so kids get an education.

Those other social service issues come into play, because even if we did everything proper right now, and you said, "Okay, here's where I am--" Now we have a \$14 billion budget deficit. Those things are expected, maybe not so much, but they're expected. But we know we can't roll back, we can't pull this out, whether it's arts, whether it's language, whether it's something else. If that happens, then we're going to go the other way, and we're supposed to be going this way. There's got to be a shield, if you will, of legislators and others who understand that and say, "We don't care what our deficit is. There are some things that are never going back." And that's why this becomes important. If not, you'll leave here -- five or 10 years later, we run into the same kinds of problems again. Someone else will come and say, "Well, I think I know how to grip with this," and they take us in a whole other direction, and you already put us in the right direction, we just didn't know it, because we didn't stay the course, for whatever reasons -- you follow me? And that's why. So as long as the answer is yes, I'll stop here and turn it over to the Chair.

COMMISSIONER LIBRERA: Let me just add one other thing, Senator. One of the hardest things is to decide how large is too large, in terms

of the group that you're working with. So when you ask us to consider, we certainly will consider what you just mentioned about DHS and others. And I think we have a conversation about, "Here's the draft, here's the people, here's how we're going to do this," so that we get involvement in a timely way and a productive way, because this set of circumstances is badly in need of change. And we've got to do it right, but we've also got to do it in a timely way. So that's by way of saying-- When we get to the point of putting a draft together, we will have some conversation so that we don't misunderstand one another about what we're going to do and how we're going to do it.

SENATOR RICE: Let me say this. I come from a military organization, and I survived a real war, and I understand it's panic control and all that stuff. But I've also sat on task forces. The Juvenile Justice Task Force has supreme court justices on it. The prosecutors are on it. Doug (indiscernible) people like that. It may have been 18 to 20 people. But we didn't just come together. We worked, and we worked, and we produced white papers. So I don't need someone to say, "Take a look at this. Give me a feedback. Here's my product." I'm talking about a working group.

Because there was a working group doing something that you're going to review, I'm not sure if that group needs to come back together to do legislation. They don't do legislation. To me, legislation should be what you, at the table, me at the table, and my colleagues, those superintendents with that kind of input-- And I'm talking now, people have to run that district, whether they like it or not, people have to manage the people in that district, and people from here. I'm not talking about all these community groups, too. And I will say that to community groups. There comes a point-- I've had community

groups say, "Well, you never called me on that." I said, "I never intended to." Ain't no use in me lying to you. I don't hide and play with the politics, because I don't need confusion. I need community groups to give me the kind of input that you indicated that you've gotten. Now I've got to make a decision and decipher this data and this information as to what it means from a legislative perspective.

I don't want to talk to a superintendent and get one view out of Paterson and find out that there's some commonalities, but there's some uniqueness, too, that was never addressed. And I want the other superintendents to understand that this occurred in this district, so it may occur in your district. So here's how we handle it, but we're going to (indiscernible) your district, since you haven't gotten that far yet. And that's what I'm talking about.

Now, if you want me to do the legislation to put the group together for you, I don't have no problem doing that. But I think you know where I'm coming from. Look, I don't need some of the folks you deal with right now. That's necessary now, in terms of getting community feedback. And I've never dealt with task forces coming out of the government with that group of folks on it at a certain level, when it came time to structure legislation and doing all that. You know, an academian here or there, that's different. But that's what I'm talking about. And that's very manageable.

COMMISSIONER LIBRERA: I don't think that we have a disagreement, I really don't. And why don't we just take the answer of yes, and the commitment that I've made to you, that when we get to that stage, I will

talk to you about how I envision doing this, with whom, and then we'll have a more specific conversation, because we don't disagree.

ASSISTANT COMMISSIONER MacINNES: Can I just say something that, probably, if I had said this earlier, maybe we would have avoided some of these questions? We set this up as a part of a series of working groups that were all under the umbrella of the Abbott Implementation and Coordinating Council, which was established by Governor McGreevey's executive order, which was intended to be a mechanism for settling the Abbott litigation.

And in all of the working groups that we set up, the ELC, the Education Law Center, was at the table and had a co-chair role in deciding the membership. And it was designed so that we would maximize the collaboration between the administration and the Education Law Center, with the hope that we could settle the Abbott decision.

This working group, even though it's not directly impacted by the Abbott decision, it was set up in the same way. And that, I think, explains some of the oddities that occurred. And if I had said it earlier, maybe it would have put it into a perspective. But that has been the case with working groups on facilities, on the pre-kindergarten program, on the K-12 plan. And in turn, they have spun off, literally, dozens of subcommittees from those working groups, etc. And we've gotten an awful lot of assistance from that. And, incidentally, the superintendents have been involved in some of those working groups, and some of them in very important ways.

The question of the superintendents being on this working group did come up. Technically, they're employees of the Commissioner. They report

directly to the Commissioner. And I recall the conversation -- it was for that reason we decided not to include them. The Department was adequately represented in that. And it was also, as you know, a period where this other process was in play for two of them.

SENATOR RICE: Let me end on this, because I think it's important, Mr. Chairman.

Gordon, you're a former State Senator and Assembly person. But I'm looking at the State Senate, okay? You also sit on the education committee.

ASSISTANT COMMISSIONER MacINNES: Yes, I did.

SENATOR RICE: Now, let me just say this. When Jack Ewing chaired the Joint Committee on the Public Schools, there was great respect coming from the education commission. They communicated regularly. There was a lot of input. And they shared the views together, and they agreed and disagreed, but they got to a compromise before they went and did all kinds of crazy things, so there was less problem in the community. That's why Jack was comfortable coming to Newark, regardless what the pressure was with our press.

ASSISTANT COMMISSIONER MacINNES: Right.

SENATOR RICE: The point is, I'm not, as a minority -- that's the only way I can put it -- I hate to say it that way -- I know this is not racial, but I'm going to make it very clear. Coming out of an urban district, when others who chaired this Committee did not come out of urban districts, is going to subordinate myself to the respect of my predecessors.

When Martin and Wolfe chaired, they got respect. This is the Joint Committee on Public Schools. Ronald Rice, one of the senior members of the State delegation is the Chair. And I'm suggesting to you that folks heretofore,

including the Governor -- and I told him -- started to respect that-- We feel, some of my colleagues and I, that we are being circumvented in these processes or our conversations have no real meaning to them. Okay? That ceases as of this moment, because there are other ways to do this. I can do it from committee rather than subcommittee, and I can do it within the community.

You lose, the Governor loses, which means, ultimately, the people lose. We don't want to sacrifice our folks. So I was trying to be nice and calm this morning. And I'm accepting what you're saying. But, Gordon, I'm coming back to you, because the Commission is not here. You were a Senator, and I know how adamant you were about certain things on that Committee. And you were right, because you were the State Senator who represented people in this state on that committee, and you had a good grip on what people were saying to you, unlike folks who work on the administration side, often times.

So we don't have to -- need a response to that. But once again, I'm the Chairman. If they don't like it, too bad. The Governor don't like it, too bad. I am the Chairman, and I'm proud to be the first minority chairman. And I'm going to keep that on the record.

I'm sorry, Mr. Chairman. I don't have anything to say.

ASSEMBLYMAN DIEGNAN: No problem.

You have a thankless job, obviously. I think everyone is in agreement that this law is flawed. You were, obviously, given the unenviable position of having to administer it. And your credentials and truthfulness is second to none, as far as I'm concerned. And I'm very happy to hear what you said today, unequivocally, yes, that you're going to, from this point forward, be certain that legislative/community/superintendent input is forthcoming.

There's a couple of things that I just want to-- I know Gordon made some reference to it in his comments. No Child Left Behind, the State monitoring law. How does all of that work into these three particular districts?

COMMISSIONER LIBRERA: We're trying to integrate all of the issues that we know have a bearing on State performance and regulations and guidance. That's not so easy to do. It's not so easy to do because No Child Left Behind is a massive piece of legislation still being formed, because there are more than a few problems in the implementation.

We understand that if we don't find a way to integrate all those efforts and make them a part of a coordinated whole, we're going to make mistakes, in terms of how we do this, how we implement our requirements. And we're also going to waste time. And we regularly meet to make sure that what's required in one law is not contradictory to the other things that we're doing.

And so, when we talk about the monitoring system, we're going to talk about how that can house -- or how indications of schools in need of improvement can be a part of that system that evaluates it. So it's not-- You are on -- in this category with this set of regulations, and in this category with the other. It's all going to be the same. So that's what we're working to do.

But I do need to say something, because, Senator, with all due respect, the last time I was here, when you asked the questions about how we were going to proceed, I don't believe that I answered them any differently than I answered them today. I think I said, generally, the same thing. If I didn't make that clear, then I apologize for that. But at no point, at any time, was there ever an attempt to try to circumvent, to try to minimize, to try to remove, to try to uninvolve people. We have tried to be as public as possible in

everything that we've done. We repeatedly have said we will be glad to be involved with any committee that is involved in aspects of what we're doing, and would be pleased to discuss everything we're doing, and why we're doing it, and the way that we've done.

Now, sometimes, what you intend is not always clear. And the people who are responsible for making that clear have to be accountable for that, and will be, and I am. But at no point in this do I want you, in any way, to believe that anything that we might not have clearly said was, in any way, a response of disrespect. It never was. So there's not a question of *from this point on*. It has always been an issue of respect. If it wasn't always communicated well, I am accountable for that. And I know that you have no problems letting people know when you have problems with what we're doing. And I would hope that's our continuing relationship.

SENATOR RICE: Commissioner, in response, when I made the request, and we had a phone conversation, no one that I know of, at least not through me, was invited to be on that working group. And that's what I expected. What I did see -- listen to Gordon -- is you did reach out for chairs and for the union representative. But I identified the same folks, unions, chairs, legislators, etc. We didn't participate, and that's okay, because the bigger piece for our participation becomes the legislative piece. And that should be a meeting called for chair -- I guess that would be you -- where we'd sit once a week or whatever, and we'd go through legislation and we'd work and work until we get it to where we want it to be.

But I want to get back--

And the other thing I need to say for the public and to you, because I've said it to you before, but maybe my colleagues didn't understand it, there's a credibility problem coming out of my district and from me with this Governor, not with you. And I'll say that, because it needs to be said, and it's not just with me -- with other folks. When you communicate with me, when I think I hear you, and I hold you to high esteem with integrity-- My history has been in government, not with you and with this Governor-- That folks make phone calls, and we move a little slower in a different direction-- I don't like that, I see that, and it's going to stop. I'm not going to have folks from my community, who run a bunch of campaigns and do other things, dictate to the Governor over my leadership down here. If they don't like my leadership -- they took me to the polls, before, to the mat, I won -- come back out again. Until then, this is the relationship that the people put in place.

I want to move now to an area of one child left behind legislation. Is there any -- and maybe I need to raise this -- another forum -- but you may know-- Is there any movement to change any of that legislation, because I was talking to educators before, and I'm talking about people in administrative areas and government people. And it was perceived that -- and I'm starting to read it the same way now -- that this is not really one child left behind education. Some people call it *wipe out board of education* legislation. And if, in fact, that's true, we have to be careful. We have to obey the mandates of the law, but as government, we have to, sometimes, go back and say, "Wait a minute. You guys are the feds, getting ready to wipe us out long-term." You need to make some amendments or something, because in principle and theory, that's a real good thing, No Child Left Behind. But it looks like it's moving more to charter

schools and vouchers and things like that, if it's not tweaked and done right. And I'm not about to spend public money to have whatever number of schools we have throughout the various districts become more charter schools. And now you run around and you've got your hands full, because you've got individualism, to some degree, and a lack of control.

But is there any movement? Do you see things that need to be changed at the Federal level in the one child left behind? Anyone working with the congressional delegation to see if that happens?

COMMISSIONER LIBRERA: Our major problem right now with the legislation is not with the broad goals, it is more with the way it's being implemented and the narrow regulations that we see that are being inflexibly described to us. And we're working with the U.S. Department of Ed on that, and we're making some progress.

We are, however, in conversation with our Federal representatives -- and you can be sure that, at the moment, we feel we're making no progress and that this is beginning to run counter to what we know we need to do. And we certainly are going to enlist our Legislature, as well as the Federal legislators and representatives to be sure that our voice is heard.

Our voice is very much heard on some of the requirements. As an example, what they originally said we had to do with testing, which we feel is grossly inappropriate and that we-- And I'm pleased to say that, as of today, we finally get the information that we need, in terms of how we're going to be able to test well this spring. So the answer to your question is, not yet.

SENATOR RICE: And the final question is, do you have someone from your office who speaks to, on a regular basis or works with, the

congressional delegation? And if so, how often are they connecting with Congressman Donald Payne? And the reason I raise that -- now I'm speaking from a minority perspective again-- Donald is not only our minority representative from the African-American community, the first minority -- state to go to Congress -- well-respected down there, but he's also an educator. And he takes a very strong interest in what's happening with education in general, and particularly urban education. And I don't get the feel that--

I keep hearing Menendez, Menendez, Menendez, and it's real nice that he's the golden boy now at the Federal government of the State, but there is another "minority" who understands minority education from which we come, and also understands education before it became minority education, because he grew up in the city of Newark when it was very diverse.

So is there, is someone making those connections? If not, can we do a lot better saying hello to Congressman Payne?

COMMISSIONER LIBRERA: We do have someone who has the title of Director of Federal Programs and Legislation. It's a person who has recently occupied that position. There are a number of things that have occupied her time recently. But our intent for her was to do exactly what you're talking about, making sure that we're well-aware, not only of legislation that is contemplated here in Trenton, but also how that relates to legislation that has either been passed in Washington or is being contemplated. And that will include all of our representatives.

SENATOR RICE: Thank you.

ASSEMBLYMAN DIEGNAN: Now, I'll really put you on the spot. Crystal ball time. As you look forward, how long do you think the three

districts will remain under the auspices of the State? And do you foresee, in the foreseeable near future, any other districts that -- I hope not -- that would be subject to this type of takeover?

COMMISSIONER LIBRERA: The second question is easier to answer than the first, and that's no. The first one, I would think, needs to be answered in terms of once the new monitoring system law is passed. How long from that point? I would say one to three years. And it's not going to be all at the same time. Some will occur quicker than others. If it's more than three years after the new monitoring system, then we will have done something seriously wrong.

SENATOR RICE: Mr. Chairman, just for your information -- and we'll have more discussion -- but I think you know the feeling of some of us. We can't give a Newark district back until we address the economics of that district. That \$70 million is just too much to say that we're going to bear. We don't know what the future is going to bring, in terms of the economy, in terms of where education is going. But if you really look at the three districts, people will think we're on the same playing field. We're not. Newark is here. And so even with these cuts that the Governor is throwing out -- and I understand they're demanding more cuts -- need to talk about that -- because I'm going to argue with the Governor on that. That budget isn't going anyplace. It can't go anyplace. And I'm going to go to the board and find out exactly what's being asked to be cut, and I'm going to fight that battle. So they can stop getting mad with people at the board of education.

But my point is that those cuts continue to sink us, so the districts -- and this is talking about the takeover districts now -- whatever the cuts they're

facing now -- take them here. But every time they come down a notch, we're going down, and we're already in the sub-basement. And it's got to be addressed. And the numbers-- I mean, we would argue \$70 to over \$100 million. The State may argue we can never replace those dollars, and we argue, "Well, maybe you can." But I'll be damned if we can't come up substantially -- and I can sell that to New Jersey. New Jersey don't like to hear the fact that the State, not Joe Public, but the State mismanaged or even stole -- I don't know what happened, nobody investigated -- \$70-plus million -- you can't hold me accountable and tell me to put it-- I don't have it. Look, I'll tell you, I don't have it. Okay? So when we do something wrong, as the public-- I can guarantee you as officials, as legislators -- let us do something wrong, let us go out there and steal something or stick a bank up. When they find us guilty, or at least they found we did something wrong, they're going to come after everything we have to replace it.

But here it is, State government-- And we're saying, "Well, by your acknowledgment-- I mean, we didn't even have to try the State. The State said, "Yes, you're right. We did it." And we have no way to go out and say, "Okay, then, replace it." It's like, "The hell with you. We did it. We robbed the bank, and the hell with you," okay? Then if that's the case, then when I go rob the Trenton Savings Bank, don't be locking me up. Tell me, "The hell with it." I mean, that's what it sounds like. I know it's not the intent, but I know we can't address it today. But we're going to be holding hearings on that stuff, because I'm telling you, I've asked Donald Tucker. If you don't do it, I'm going to do it as Chair -- to hold hearings, because I really believe we need to not just accept your records for what they are, for what you know when you came in, what you

inherited in information. I think we need a thorough investigation. If that means trying to subpoena Ms. Hall and everybody back and ask them questions, we may have to do that, but this is real serious stuff. And it's starting to haunt us a lot more now, given where our economy is here in New Jersey. And I don't ever want that to happen again. And I think, under your leadership, it won't, because I think we agree.

But you've got to, at least, think about that as we move forward, because you may reach -- we may come up with some monitoring stuff, and everybody agree -- "You know what? This isn't going to take two to three years. We can do this right away." My position is, "Hold it. You can do it right away, but don't send us back out there," because you wouldn't want to run in my district today with that kind of a deficit and things still getting cut, cut, cut. I think you would be either crazy or just decide you don't have nothing else to do, and you can do something else.

COMMISSIONER LIBRERA: Some people already have decided that I may be crazy in doing what I'm doing. (laughter) Let's just say that that's a topic for another day. And we've already had that discussion, and we need to have it again, because when it's all said and done, we have to have an understanding of what happened. There are documents around, and what we don't have is a public understanding of what's happened. We clearly know that things occurred that shouldn't have occurred. We know that. How we deal with that has everything to do with what we understand the problem to be, and that's what we will do.

Thank you very much.

ASSEMBLYMAN DIEGNAN: Thank you for coming.

I thank everyone else for coming.

I want to compliment you, Commissioner, because I believe everybody recognizes that you are not afraid to take on the tough issues. And I respect that. It means a lot.

SENATOR RICE: Thank you.

ASSEMBLYMAN DIEGNAN: Thank you for coming. Visit us again.

COMMISSIONER LIBRERA: We will.

(MEETING CONCLUDED)