

## Discussion Points

1. The proposed FY 2015 budget includes a recommended appropriation of \$519.8 million for the school construction and renovation fund. This line item is used to make the debt service payments on bonds issued by the Economic Development Authority to support the State's school construction program.

- **Question:** Please detail the amount of this appropriation that will be used to pay principal, interest, swap fees, and other borrowing expenses.

**Response:** *The detail of the recommended amount is as follows (in millions). This includes proposed new issues:*

- **\$473.7 – Principal & Interest**
- **\$45.5 – Swap Fees**
- **\$0.6 – Miscellaneous Professional Expenses**

2. Each appropriations act since FY 2011 has included language specifying that school districts not classified as an SDA district are required to pay, through a State school aid withholding, 15 percent of the district's proportionate share of the State's required debt service payment, as of December 31 of the prior year, on bonds issued by the Economic Development Authority to support the State's school construction program. The State's actual debt service payment in FY 2014 was substantially less than the amount used to determine the State aid withholding for school districts, due to refinancing that occurred after December 31, 2012. In effect, school districts reimbursed the State for costs that the State did not incur.

- **Question:** Please provide the State's total required principal and interest payment on these bonds as of December 31, 2013, including the total amount associated with SDA districts, and the total amount associated with districts not classified as SDA districts.

**Response:** *In the fiscal year 2015 Budget, the assessment of EDA debt service was held flat to the fiscal 2014 level. Therefore, the debt service as of December 31 was never allocated to either the Regular Operating Districts or the SDA districts.*

- **Question:** In the event that school districts' SDA assessments are calculated based on a debt service payment calculated as of December 31, and the State subsequently refinances the debt in a manner that shifts some of that principal payment into a later fiscal year, would school districts be required to pay a portion of the same principal multiple times (assuming that subsequent years' budget proposals continue to include the assessment)? If so, please describe any logistical barrier that would preclude the State from making an adjustment in the subsequent fiscal year if the State's actual debt service payment differs from the December 31 amount used to calculate the assessment.

**Response:** *Refinancing takes place whenever the State is able to take advantage of the current interest rate environment in order to generate debt service savings. Given the uncertainties surrounding when and if the State will refinance the debt and the need to set state aid to school districts, the SDA assessments have been historically calculated based on the December 31*

## Discussion Points (Cont'd)

*payment schedule. It would be difficult to adjust the assessment. In order to true up, a recalculation would need to occur, in the subsequent fiscal year, after final debt costs are known. This would lead to budget uncertainty for the districts given that their aid payments could change to reflect the new assessment calculations. The assessment was held flat to alleviate that potential issue.*

3. In its February 2012 *Education Funding Report*, the department proposed providing State school aid based on school districts' average daily attendance, rather than a single day enrollment census. In making this recommendation, the department stated that, "[b]y moving away from a single count day, and instead funding based on average daily attendance, the State will encourage districts to focus on attendance, develop novel ways to increase it – from swipe cards to track attendance to automatic text messages, e-mails, and voicemails when a student is truant – and, thereby win back much needed instructional time for our State's at-risk students."

In a September 2013 report (<http://oag.ca.gov/truancy>), the Attorney General of California – a state that uses average daily attendance to determine aid to school districts – wrote, "California is facing an attendance crisis, with dire consequences for our economy, our safety, and our children. Truancy and chronic absence occurs in elementary schools across the state, at rates that are deeply troubling."

- **Question:** Please describe the research and analysis on which the department relied in making the recommendation to calculate State aid based on average daily attendance (or the modified version that has been included in the appropriations acts since FY 2013).

*Response: There is widespread research that shows attendance rates have a significant impact on academic achievement. Below are a few studies that underscore the importance of attendance:*

*"Attendance in Early Elementary Grades: Association with Student Characteristics." School Readiness and Third Grade Outcomes, Applied Survey Research, (May 2011).*

*Balfanz, Robert, Lisa Herzog and Douglas J. MacIver. "Preventing Student Disengagement and Keeping Students on the Graduation Path in Urban Middle-Grades Schools: Early Identification and Effective Interventions." Educational Psychologist 42(4), 223–235, Lawrence Erlbaum Associates, Inc., (2007).*

*Chang, H.N. M. Romero. "Present, Engaged, and Accounted For: The Critical Importance of Addressing Chronic Absence in the Early Grades." National Center for Children in Poverty. Mailman School of Public Health. Columbia University. New York, NY., (2008).*

*In addition to this research, the Department looked at best practices from other states. Below are some notable publications that are instructive on attendance practices in other states:*

## Discussion Points (Cont'd)

*Silverstein, Justin, M. Fermanich., T. Rainey. "Colorado Average Daily Membership Study: A Feasibility Study of Alternatives to the October 1 Student Count Method." Denver, CO, (January 11, 2011).*

*Wade, K., T. Coulthard, E. Drilias, and M. Regan. "Best Practices Review: Truancy Reduction Efforts." Legislative Audit Bureau, Madison, WI. (2008).*

- **Question:** Has the department conducted any research, either internally or through a third party, assessing how the State's use of attendance rates in calculating State aid has affected districts' practices (such as adopting novel ways to increase attendance) or yielded increases in student attendance? If so, please provide a copy of the analysis. If not, please describe why the department has not completed such an analysis.

*Response: The Department is planning to conduct a survey of school districts to assess the strategies they've employed to increase attendance in their schools. This survey is currently in the planning stages, though the Department anticipates conducting it soon. Results from the survey will be instructive on the efficacy of districts' efforts and practices while providing direction to districts on the best ways to increase attendance and how those relate to research from other states, such as those noted above.*

4. In response to a question following the March 29, 2012 Senate Budget and Appropriations committee hearing, the department provided a list of all personnel who were compensated on an hourly or per diem basis during calendar years 2011 and 2012, which included a description of the work done by each individual. One individual's responsibility was to, "[a]ssist with the design of a mini-database of educational data for school districts and schools." Based on information available at <http://nj.gov/transparency/payroll>, this individual was compensated for 67.7 days in calendar year 2011, 96.4 days in 2012, and 93.2 days in 2013.

- **Question:** Please provide a copy of all contracts, or other employment agreement, entered into with this individual. Additionally, please provide an update on the department's progress in the development of the mini-database. How does the mini-database developed under the arrangement with this individual differ from the local district data warehouses that were created from the State's student-level database by the contractor that maintains that database?

*Response: This individual has been assisting the Division of Data, Research, Evaluation and Reporting with the analyses and preparation for the school performance reports. Additionally, he has been assisting in the creation of the performance report databases, which are published on-line for public usage. This 'mini-database' brings together data in aggregate, school-level files that can be joined together by school identifiers by researchers and others. It is wholly distinct from the local district data warehouses that are managed and maintained by local school districts.*

## Discussion Points (Cont'd)

*This work has been invaluable to furthering the Department's goal of helping educators and stakeholders turn information into action to improve student outcomes across a range of performance indicators. The Department does not intend to renew these services beyond June 2014 as this individual's work on this task is largely complete.*

*Please see the attached agreement.*

5. In a November 2013 press release regarding the results of the most recent State assessments, the department stated that the 2012-2013 school year was the first time that, "...test questions in the majority of grades on the NJASK were aligned to the more rigorous Common Core State Standards." The press release further noted that, "[o]verall statewide performance stayed relatively constant – with only slight increases and decreases – on both the NJASK and HSPA from 2012 to 2013."

In describing the process of equating the scale scores on State assessments from year to year, the *New Jersey Assessment of Skills and Knowledge 2013 Score Interpretation Manual* states, "[i]n order to ensure that the scale scores are meaningful, it is critical that, for each test, the same scale score be equally difficult to achieve from year to year. To that end, the test scores in each content area and at each grade level are statistically equated to previous year scores."

- **Question:** Is it plausible, because of the equating process, that a student taking a State assessment in 2012-2013 could achieve a particular scale score while answering a lower percentage of questions correctly than in prior years? Please provide a table detailing, for language arts and mathematics, the raw score that corresponded to a scale score of 200 and 250 (the cut-points for proficiency and advanced proficiency, respectively) for each administration of the NJASK from spring 2009 to spring 2013.

*Response: It is indeed plausible that, because of the equating process, a student taking a state assessment in 2012-2013 could achieve a particular scale score while answering a lower percentage of questions correctly than students taking that test in prior years.*

*We try to build assessments to the standards that have the same level of difficulty from one year to the next. However, test difficulty varies slightly from year to year. We do not want students' proficiency levels to be determined by the slight variance of the test difficulty. As long as the test design is not changed and new performance standards are not set, the equating process enables us to say, to the extent possible statistically, that for any given subject at any given grade level in any given year, the same scale score will require the same level of skill and knowledge as it does across other years. We have basically neutralized the effect of differences in test difficulty level.*

*Please see the attached spreadsheet for cut scores.*

6. Executive Order No. 89, issued in March of 2012, established the Education Funding Task Force, and charged the panel with, "...examining the State's school funding formula and

## Discussion Points (Cont'd)

developing recommendations for the Governor concerning the areas of the formula that may be susceptible to fraud or subject to outside manipulation, including, but not limited to, participation in the Federal Free and Reduced Price Lunch Program as a proxy for at-risk status and municipal tax abatement programs." The panel was to issue a final report no later than 120 days after organizing, and the final report was to be provided to the Legislature and made available to the public. The task force members were appointed in April 2012.

Discussion point 2 in the OLS analysis of the FY 2014 budget recommendations inquired about the status of this report. In response, the department stated, "...[o]ver the course of several months, the group met and examined the issues raised in the Governor's Executive Order, and they continue to consider these issues. Unforeseen priorities related to the fallout of Super Storm Sandy have extended this largely academic work while the Department mobilized its efforts around getting students back in classrooms."

- **Question:** Please provide an update on the current status of the task force's work. Does the department have any indication when the task force will complete its work, and make a final report available to the Legislature and the public? Has an interim report been completed that may be made available at this time?

**Response:** *The work of the Task Force was slowed because of the redeployment of staff after Superstorm Sandy. As the priorities of the Department have shifted away from Superstorm Sandy recovery, and with the arrival of Acting Commissioner Hespe, the work of the Task Force has reemerged as a priority for the Department in the coming months.*

- **Question:** Does the department's characterization of the work as "largely academic" indicate that any recommendations included in the report, pursuant to the executive order, would not have any policy implications?

**Response:** *The task force is considering the full scope of the Executive Order, which may include policy recommendations.*

- **Question:** Please describe the role that the members of the task force played in getting students back in the classroom after Sandy that would have contributed to the delay.

**Response:** *The Department focused intensive energy in the months after Superstorm Sandy to help schools reopen in a timely manner, support students displaced by the storm, and in some cases rebuild. Department staff assigned to the task force worked diligently with districts to ensure they are able to maximize federal assistance for storm relief, such as the Community Development Loan and Community Development Block Grant programs. As the priorities of the Department have shifted away from Superstorm Sandy recovery, and with the arrival of Acting Commissioner Hespe, the work of the Task Force has reemerged as a priority for the Department in the coming months.*

## Discussion Points (Cont'd)

7. In response to discussion point 3 in the OLS analysis of the FY 2014 budget recommendations, the department described the responsibilities of a special assistant to the commissioner, noting the individual's work would yield, "...a detailed report on the successful programs and strategies from across the state in order to share best practices with all districts and provide data to help them review their current and future allocations."

- **Question:** Please provide a copy of the detailed report that has been produced. If such a report has not yet been finalized, please indicate when the department anticipates that the report will be complete.

**Response:** *The Special Assistant has undertaken a number of high-value projects on behalf of the Commissioner. Among others, this individual has worked closely with the state-operated districts, including intensive, on-the-ground support during the initial months of the intervention in Camden. In this role, the Special Assistant was crucial to guiding a "school opening" plan to ensure that students arrived to school ready to learn on day one of the school year, and to developing and implementing a technology plan to upgrade technological capabilities and modernize the school system for the demands of the 21<sup>st</sup> century. In addition, the Special Assistant has worked closely in Paterson on human capital and budget issues to support the district in implementing a long-term, sustainable budget.*

**Because of these other priorities, the review referenced is still in process and we anticipate at this point that it will be completed by the summer.**

8. In the 2014-2015 school year, school districts will be required to administer assessments developed by the Partnership for Assessment of Readiness for College and Careers (PARCC). The assessments will be delivered via computers, and PARCC has released detailed specifications for minimum and recommended technological capacity for the administration. The department collected data from schools to assess their readiness, and the proposed budget includes an appropriation of \$13.5 million, or \$10 per pupil, to assist schools in procuring the necessary technology.

- **Question:** Please provide an overall assessment of schools' readiness to administer the PARCC assessments. Specifically, what percent of schools that will administer the PARCC assessments meet the minimum and recommended technical capacity with respect to hardware (e.g., megabytes of RAM and screen size), software (e.g., operating system and Internet browser), and bandwidth. Additionally, what percent of schools have the minimum and recommended number of devices for administering the PARCC assessments?

**Response:** *As we speak, more than 70% of districts are voluntarily participating in the PARCC field test, comprising more than 1,200 New Jersey schools. This experience will give us a tremendous amount of new information on technology readiness. That being said, for nearly two years, the Department has dedicated resources to gather information on school technology infrastructure across the state. The primary purpose of this exercise has been to better support schools and districts by providing them with targeted help and analysis regarding their readiness to provide their*

## Discussion Points (Cont'd)

*students with a learning environment that will prepare them for college and careers in the 21<sup>st</sup> century (what we refer to as digital learning) and in preparation for the PARCC assessments that will be administered primarily online (i.e., digital assessment). This is a wholly new role for the Department, and much of the effort over the last two years has been dedicated to putting in place the resources necessary to conduct this analysis (e.g., a new data collection tool called NJTRax and additional support staff operating through the Educational Technology Office).*

*In addition to the inherent challenges with launching a new initiative and tools, the nature of the data that is being collected and analyzed makes it difficult to provide an accurate snapshot of the state of school readiness across the state to administer the PARCC assessments during the 2014-15 school year; specifically, the data that is being collected in the NJTRax system is all self-reported by the schools and districts and is entered in real-time, meaning that the state of readiness could change as new data get entered into the system. To address these challenges, the Department's Office of Educational Technology (including the additional support staff referenced above) have been reaching out to as many schools and districts across the state as possible to help validate the data in the system and to provide whatever support may be needed to identify and address potential gaps. This work started in Fall 2013, and it is still ongoing. We anticipate that the first wave of outreach to the nearly 2600 schools and test sites will be completed in May 2014, with ongoing support provided as needed up to the 2014-15 PARCC administration and beyond.*

*The first statewide data collection took place in the summer of 2013, which resulted in the release of district readiness reports in November 2013. That data, which was self-reported by districts, included stringent technology requirements that have since been loosened by PARCC. That data collection revealed that 47% of test sites were deemed to meet the technical specifications as outlined in the summer. This technical readiness is composed of both "device readiness" and "network readiness."*

*Through our new reporting tool, and including the updated technology specifications, the current snapshot shows that 71% of test sites are meeting the minimum technical specifications for online assessment. We attribute this increase to better reporting by districts (which we typically see improve in 2<sup>nd</sup> and 3<sup>rd</sup> generation data collections – and which we believe will continue to improve), technical support provided by the Department, additional time to upgrade readiness since the summer, and the updated technical specifications from PARCC.*

- **Question:** Did the department's survey of schools' current technological capacity demonstrate that all schools have the same needs in terms of preparing to administer the PARCC assessments? If not, please explain the rationale of providing the same amount of aid to districts when current capacity and need differs.

## Discussion Points (Cont'd)

***Response: One thing that the data provided by New Jersey schools and districts demonstrates is a wide variation in technology capacity across the state. Some districts have embraced technology as a learning tool for years, if not decades, and over that time have developed the sustainable technology infrastructure needed to support this goal. Other districts have developed and implemented strategic plans over the last few years to put in place the needed infrastructure, including procurement of hardware and software, in anticipation of the implementation of the Common Core and the administration of the PARCC assessments. Given the effort and resources already expended by these districts, it was determined that the only fair and expeditious way to distribute the funds was to allocate the same amount to each district on a per student basis.***

9. The FY 2014 adjusted appropriation for post-retirement medical benefits totals \$969.0 million, while the recommended FY 2015 budget would appropriate \$1.051 billion for this purpose. The Executive has indicated that \$100 million of the current year's appropriation will lapse.

- **Question:** Please explain why there will be a significant lapse in FY 2014, followed by a substantial increase in the appropriation for FY 2015.

***Response: While part of the Department's budget, these accounts are managed by the Treasurer, who will speak to the propriety of the fund balance.***



2010-13 HSPA NJASK Cut Scores

NJASK AND HSPA CUT SCORES 2010 - 2013									
YEAR	GRADE	SUBJECT	200 CUT	250 CUT	YEAR	GRADE	SUBJECT	200 CUT	250 CUT
2010	3	LAL	27.0	37.0	2010	3	MATH	24.0	39.0
2011	3	LAL	25.0	36.0	2011	3	MATH	24.0	38.0
2012	3	LAL	23.0	37.0	2012	3	MATH	23.0	37.0
2013	3	LAL	25.0	38.0	2013	3	MATH	23.0	36.0
2010	4	LAL	34.0	43.0	2010	4	MATH	24.0	38.0
2011	4	LAL	32.0	44.0	2011	4	MATH	24.0	39.0
2012	4	LAL	30.0	43.0	2012	4	MATH	23.0	38.0
2013	4	LAL	31.0	43.0	2013	4	MATH	24.0	38.0
2010	5	LAL	37.0	48.0	2010	5	MATH	21.0	36.0
2011	5	LAL	33.0	48.0	2011	5	MATH	23.0	38.0
2012	5	LAL	31.0	46.0	2012	5	MATH	22.0	38.0
2013	5	LAL	33.0	47.0	2013	5	MATH	23.0	38.0
2010	6	LAL	40.0	56.0	2010	6	MATH	25.0	40.0
2011	6	LAL	39.0	55.0	2011	6	MATH	22.0	39.0
2012	6	LAL	36.5	54.0	2012	6	MATH	23.0	39.0
2013	6	LAL	38.0	55.0	2013	6	MATH	21.0	38.0
2010	7	LAL	39.0	53.0	2010	7	MATH	26.0	40.0
2011	7	LAL	39.0	53.0	2011	7	MATH	24.0	39.0
2012	7	LAL	38.0	52.5	2012	7	MATH	23.0	38.0
2013	7	LAL	37.0	51.5	2013	7	MATH	24.0	37.0
2010	8	LAL	34.0	54.0	2010	8	MATH	23.0	37.0
2011	8	LAL	35.0	55.0	2011	8	MATH	21.0	35.0
2012	8	LAL	36.0	55.0	2012	8	MATH	23.0	37.0
2013	8	LAL	36.5	56.0	2013	8	MATH	21.0	37.0
2010	11	LAL	22.5	37.5	2010	11	MATH	17.5	37.0
2011	11	LAL	20.0	35.5	2011	11	MATH	17.5	36.5
2012	11	LAL	20.5	35.5	2012	11	MATH	17.0	35.5
2013	11	LAL	19.5	35.5	2013	11	MATH	16.5	34.5

EXTENSION  
COPY

**REQUEST FOR EMPLOYMENT OF SPECIAL SERVICES EMPLOYEE**

Division Commissioner's office / Data  
Office \_\_\_\_\_  
Special Service Position No. 804272  
Account No. 5067-100-330000-12  
Rate of Pay For This Employee  
(Hourly, Daily) \$1,000 per diem  
Effective Date  
of Employment\* July 1, 2013  
Termination Date  
of Employment June 30, 2014  
Hours Per Day 7.25  
Days Per Week 2  
No. of Weeks 26

Name Willis, Jason D.  
Last First Middle Initial  
Address 2358 Greenberry Court Pleasanton CA 94588  
Street City State ZIP Code  
Social Security Number \_\_\_\_\_  
Date of Birth' \_\_\_\_\_  
Copy of Driver's License \_\_\_\_\_  
Was this employee ever a member of PERS/TPAF? No  
State Pension No. \_\_\_\_\_  
(If applicable)  
Have you retired from this pension system? No  
TES Title Code 96035  
Project Description \_\_\_\_\_

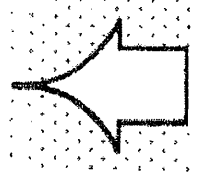
Personnel Coordinator \_\_\_\_\_ Date \_\_\_\_\_

- \* Candidate must bring social security card and sign up in Payroll on or before starting date.
- \*\* If under 18, candidate must obtain Promise of Employment from Payroll Office so he/she can obtain working papers prior to starting date.

**BRIEF DESCRIPTION OF PROJECT AND DUTIES TO BE PERFORMED**

Assist with the design and building of a functioning, mini-database of educational data for school districts and schools in the State of New Jersey.

**Telephone Locator File Data**  
Office Name and Location Commissioner's Office, Trenton, NJ  
Office Telephone Number 609-292-4450



I understand that I will receive pay only for the time I work and that I will not receive any fringe benefits.  
I also understand that my actual hours worked cannot exceed 944 hours in any fiscal year.

[Signature] 7/11/2013  
Employee Signature Date

[Signature] 7/30/13  
Budget and Accounting Date

[Signature] 7/16/13  
Assistant Commissioner/Division Head Date

[Signature] 7/30/13  
Director of Human Resources Date