
Committee Meeting

of

JOINT LEGISLATIVE COMMITTEE ON PUBLIC SCHOOL FUNDING REFORM

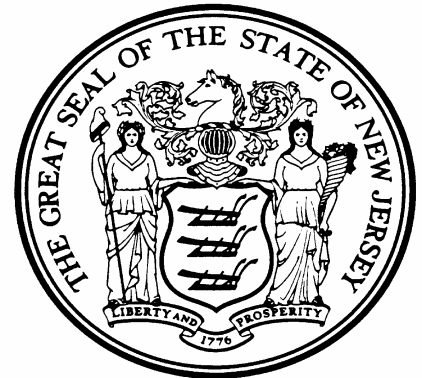
"Testimony from Mr. Stanley Sanger, Superintendent of the Union City School District; and Dr. Robert Previti, Superintendent of the Brigantine School District, on school district best practices. Also testimony from the Department of Education on the components of the State's school aid funding formula"

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

DATE: August 29, 2006
1:00 p.m.

MEMBERS OF JOINT COMMITTEE PRESENT:

Senator John H. Adler, Co-Chair
Assemblyman Herb Conaway Jr., Co-Chair
Senator Joseph V. Doria Jr.
Senator Gerald Cardinale
Assemblyman Brian P. Stack
Assemblyman David W. Wolfe



ALSO PRESENT:

Kathleen Fazzari
Theodore C. Settle
Office of Legislative Services
Committee Aides

Jacqueline Burke
Senate Majority
Mary Alice Messenger-Gault
Keith White
Assembly Majority
Committee Aides

Brian Alpert
Christine Shipley
Senate Republican
Beth Schermerhorn
Thomas Neff
Assembly Republican
Committee Aides

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ASSEMBLYMAN HERB CONAWAY JR. (Co-Chair): Good afternoon, everyone.

This is our third meeting of the Joint Legislative Committee on Public School Funding Reform.

At the outset, I'd like to advise everyone about the cell phones. Please turn them off or to vibrate so that we won't be bothered by any interruption related to cell phone use.

We are-- At the recommendation of the Committee members that had questions regarding the funding formula, in the wake of our last Committee meeting, regarding various funding formulas around the country, we thought it would be advisable, at the outset of this hearing, prior to taking testimony on best practices around the state, to get a rundown from experts on our -- the funding formula that we are trying to use -- not using here, not being used here, in the State of New Jersey. We have experts-- And that funding formula is called the Comprehensive Educational Improvement and Financing Act, originally passed by the Whitman administration in 1996.

We are very privileged to have with us Katherine Attwood, who is the Director of the Office of Fiscal Policy and Planning; and Mr. Robert -- or rather Dr. Robert Goertz, Director of the Office of Budget and Accounting, to enlighten us about CEIFA -- that is the Comprehensive Educational Improvement and Financing Act of 1996; and how, in its various components, it's -- the policies behind the various aspects of that Act.

So, with that, who wishes to start?

Ms. Attwood.

KATHERINE ATTWOOD: Yes.

Thank you.

We have come here today to give you an overview of CEIFA. We've actually put together a PowerPoint presentation that Bob and I will be able to walk through, which -- we can begin that now.

I assume you would want questions at the end. We'll walk through the presentation, and then take questions at the end.

ASSEMBLYMAN CONAWAY: Yes.

MS. ATTWOOD: Okay.

CEIFA includes several provisions. But I think where we want to focus today are on three separate areas, and primarily the first two. And that includes the funding formula, and how the State aid is allocated -- or would be allocated under CEIFA, if we were running it today. Secondly are the spending caps in CEIFA that set the budgets that go to the voters, and the amount of tax levy that can be increased each year. And the last aspect of CEIFA is the budget approval process and the process when budgets are defeated.

I think it's important that we talk about numbers two and three, because those aspects of CEIFA have been still alive since 2001 and '02, when CEIFA formulas have not been run.

And, also, at the end, if you have additional questions with regard to the other aids that are allocated either on behalf of the State or directly to school districts -- which are significant beyond the State aid formulas -- Bob can answer any specific questions on that, that's in addition to the PowerPoint presentation.

What you heard last week was that CEIFA is one of the typical foundation aid formula systems. When it was passed in December of 1996, I believe -- and it had been run through the '97-'98 school year, through FY '02 -- CEIFA provided a system that was similar to what you heard, in the fact it provided a framework to determine an amount per-pupil that was considered sufficient or adequate -- which you heard a lot last week -- to provide a thorough and efficient education, and achieve the State standards -- which, in New Jersey, those standards are the Core Curriculum Content Standards.

So the law established a framework for establishing that amount, which, I believe, when the law was originally passed, it was \$6,700 and some change. And that framework was the establishment of efficiency standards, which most people refer to as the T&E model. And those standards were developed to determine -- were developed in response of what was considered sufficient or adequate to provide the programs, services, and activities to achieve the Core Curriculum Content Standards.

You also heard last week that, in a foundation-aid type of system, once that per-pupil amount is established, there is a wealth component that is applied to that to determine how much a district would achieve, based on their wealth. And I'm going to go into that in a little more specifics in a couple of the other slides.

But what I wanted to highlight is the framework that CEIFA allowed -- not only established those original cost factors in the law, but a process to update those factors every two years in what was referred to as the biannual report. It is a per-pupil based system -- again, based on standards determined -- what was necessary to provide an adequate

education in New Jersey, based on the State standards. And the enrollment data that was utilized to apply to those cost factors is also outlined in the law, for which, every October, school districts would be submitting to the Department their very detailed enrollment collection -- the ASSA.

One other point to note, as-- I think as, again, more traditional with foundation aid formula systems, is that while CEIFA established a framework -- the T&E model, the efficiency standards, and the detailed resource inputs and cost factors -- that was used to support the formula and the funding allocation, but was never meant to be prescriptive. It was illustrative for school districts to spend or not spend within those standards. And it's important to mention that, too.

So within that framework, how was the aid allocated? And probably the biggest category for -- which many districts receive, was the aid for regular education, as I just described. Once that per-pupil amount was established, an amount was allocated based on district enrollment to individual school districts. The efficiency standards established what was considered a T&E, per-pupil amount -- and that you heard last week, as well -- an amount per-pupil: the \$6,700-and-change number.

And from that amount -- then under CEIFA-- And I am somewhat simplifying it. But I think, for purposes of description, this is a good way to describe it. That per-pupil amount would be multiplied by the district's weighted enrollment to create what's considered a T&E budget for that district.

CEIFA allowed some flexibility where there was a flexible amount. So there is a maximum T&E budget and a minimum T&E budget. And some districts spend different -- spend within that. But what's

important to note is that there is a T&E budget established for each school district.

And the first aid under CEIFA -- again, the aid for regular education -- core curriculum standards aid -- is then determined by how much of that T&E budget that school district could fiscally support on its own. And that's that wealth factor that you heard last week -- gets applied to that per-pupil amount that's determined necessary or sufficient to fund education.

And under CEIFA, that wealth equalization number, or that wealth factor, was split between property wealth and income wealth -- and I do think that may be a little different from other states -- but 50-50 percent split, that was determined based on a school district's ability to spend. And, therefore, their ability to support their T&E budget -- the difference between their ability to support that budget, based on their property and income wealth, and the T&E budget was what they received in Core Curriculum Content Standards aid.

Not every district in New Jersey receives that aid. And that's because of this equalization process. And while this can get very complicated, I don't think we want to spend today to talk about how that allocation system is made, except to just think about it in more simplistic terms -- in the sense that, under CEIFA, the amount of aid provided to school districts -- called *core curriculum standards aid* -- was set in the original law. The law allowed, each year, that that pot of aid -- to be inflated, as well as to be adjusted, based on, I think, average enrollment growth statewide.

But that amount was fixed; and then, each year, would need to be allocated among the T&E budgets that had been determined, relative to the property wealth and income wealth in the state. And with that result, again, about a third of the districts have sufficient property wealth and income wealth to support -- and do not receive core curriculum standards aid. And among the other ones -- each year, when CEIFA was run, the changes in either the district enrollment or the statewide enrollment, property wealth, and income wealth would redistribute that aid among those districts, based on those factors.

CEIFA also provided, under the Core Curriculum Content Standards aid component, for low-income and high property tax rate districts. And that was called *supplemental core curriculum standards aid*. That was in addition to those districts who receive core curriculum standards aid to offset, additionally, their local share.

The core curriculum standards aid is the only aid under CEIFA that is equalized by wealth. I think you heard last week-- I heard a couple of the speakers talk about -- that when you provide additional aid categories -- in other states -- that the standard base aid could be adjusted by weights for different pupil characteristics: bilingual, special education, etc. Under CEIFA, those are actually separate aid categories. And those separate aid categories -- which for the case of this description I call *categorical aids* -- are purely allocated based on the number of kids eligible for those aids, times that cost factor that, as I discussed, is updated -- originally was allocated in the law, and then updated every two years in the biannual report.

Those aids are allocated to every district that would be eligible -- have eligible kids. And that includes transportation aid, special education

aid, bilingual aid. And I've listed those aids there. It also includes a few aids I did not list there, because we have subsequently gotten rid of them and combined them in other aid categories. And I'm going to talk about that when I talk about what's happened since CEIFA has been -- stopped funding. So I didn't want to list them there.

I did want to talk about, though, special education aid, because it is three components under CEIFA. And that's one way to describe it. When we talked about core curriculum standards aid, I said there was a determination of a per-pupil amount that was determined adequate or necessary for each kid. That includes the special education kid. So for districts that had the -- did not have the ability to fund their base funding for that special education child -- would receive or not receive that core curriculum standards aid, based on the wealth equalization I just talked about. But every district would receive aid for the additional services that are necessary for those special education children. And under CEIFA, the aids are -- the categories are in four tiers. And the cost factors vary on the tiers, because the services increase as you move up.

And then the third component in CEIFA for special education funding is what was called -- is what is called *extraordinary aid for special education*. And that was additional aid provided to special education students that cost greater than \$40,000 per pupil.

Originally, in the law, there was a fiscal analysis or component applied to the allocation of that aid. That, ultimately, was repealed. So that aid is applied based on the number of kids eligible. However, I think given the fiscal crisis of the last few years, I think we all recognize -- I think there hasn't been a complete funding of that. But once the law did enable

the removal of the provision of the fiscal component, it enabled the funding to be purely based on the number of kids eligible.

And the last component within the CEIFA formulas, that I just wanted to touch upon, was the concept of stabilization aid. And under the original law, CEIFA prevented any one district -- or any district from losing aid greater than 10 percent of its prior year aid. It also prevented any district from receiving greater than 10 percent of their prior year aid. And that was called *stabilized aid*.

With many of the iterations within the years of providing CEIFA, I think -- I'm not even sure if 10 percent was ever applied. I know it was reduced to a 2 percent reduction. And in some other years, it was reduced to actually no reduction. And that's where you see various different stabilization aid categories of aid. But that was built into CEIFA to not -- to prevent a huge reduction, and subsequently had been modified as the years went on.

So what's happened? CEIFA-- We haven't been funding CEIFA under the formula process since the 2001-'02 school year. Well, I just thought these next few slides would summarize what had been allocated in aid.

The first year of flat funding was in '02-'03. And that was where State aid was frozen at the prior year levels. In the next year, State aid, again, was frozen at the prior year levels. However, a new category was created, called *consolidated aid*. And that was what replaced three aids, that were originally in CEIFA that I hadn't listed on that previous slide -- adult ed, academic achievement aid, and distance learning network aid -- and provided a slight increase to those districts. So it combined them and

provided an increase, except for the I and J districts. In the I and J districts -- they were held at a flat amount of those three aid categories.

And something I should mention: When I'm talking about this, I am certainly talking about non-Abbotts, in terms of what aids have been allocated since CEIFA has run. I think people recognize here that, for Abbott districts, they have been -- continued to receive aid through the parity process, as well as additional aid process. But since that isn't part of the CEIFA formulas, I am focusing on CEIFA and what has happened for those districts that are subject to CEIFA formulas, and what's happened since those aids have been frozen.

In '04-'05, there was another increase in aid. And that was a 3 percent increase to districts for their aids -- again, non-Abbotts -- and that was titled *additional formula aid*. So in '04-'05, all school districts received an increase, as well as, through the Appropriations Act that year, there were two other aid categories given: HELP, which was for High Expectations Learning Proficient -- it was titled. And that was for districts with low-income and other demographics similar to that -- provided additional aid. And AAEG, for above average enrollment, which is self-explanatory.

In the next year, aid was held flat again at the prior year levels. However, that was still an increase over the original CEIFA amounts, because that now included the higher consolidated aid amounts, it included the now new additional formula aid amounts; as well as, in those years, HELP and AAEG were recalculated.

And in this most recent year, State -- for '06-'07, the aid was held flat again, except for, this year, districts with declining enrollments, in some cases, received an actual slight reduction in their consolidated aid and

additional formula aid. And I'm not an expert on how that was calculated, but it was definitely an enrollment over five years, for which some districts fell into that. And I don't believe the aid reduction was that large, relative to the total aid allocated. And at the same time, HELP and AAEG was recalculated for this year.

Now, many people say, "What's the impact?" And I just wanted to make sure that I highlighted that, while obviously districts that had increasing enrollment through this time period and did not receive additional aid -- had a growth in special ed, or a growth in regular, or had a loss in wealth for which they may have no -- hadn't been providing core curriculum standards aid and now would be-- The converse is also true. And you need to recognize that -- that there are districts that had declining enrollment, or had a growth in wealth over these last few years, for which it had benefited from the flat State aid. And so it just changed-- Not having change within the formula has clearly impacted the distribution of aid in this state, both for the positive and negative, on a district-by-district basis.

The second component under CEIFA is-- "Okay, we give all this aid. How do we get to spend it?" And that's the CEIFA spending caps that you hear a lot about. For the most part, CEIFA aids are what we consider unrestricted, which means they are given to school districts and they support their general fund, their current expenses. But they aren't restricted for a specific use. And the exceptions of that are early childhood program aid and demonstrably effective program aid -- the ECPA, DEPA, and the instructional supplement aids. Those are specific State aids that are given for specific purposes, that target low-income categories of students in

districts. But for the rest of the aids, they are considered general fund revenues.

And how CEIFA has established the spending cap on school district budgets is that it really-- It looks at the school district's spending, it's tax levy of the current year, with those State aids that have been given. And it -- for the base increase, it would inflate that amount by 3 percent or -- I'm sorry, 2.5 percent, or the CPI, whichever is higher.

And let me just back up a little bit about it, because caps, I know, are hard -- especially a revenue cap is somewhat hard to conceptualize. But the way that I've tried to really understand this and explain it is that, really, because it's a cap on the proposed budget to the voters-- The CEIFA caps don't have any meaning after the election. CEIFA cap on the budget is the proposed budget to the voters, which essentially is the tax levy. So what the cap is doing is capping the tax levy that can go to the voters or the board of school estimate.

And so, in doing so, instead of some states which, I understand, actually cap the tax levy itself -- CEIFA doesn't do that directly. It looks at all or most of the revenues that a school district uses to support its general fund budget, and caps that total amount at inflation rate, plus an enrollment -- some adjustments that I will get at. And what that does is, that -- as the slide illustrates -- is that, in those years that a district would receive an influx -- a greater amount of State aid over, for instance, inflation, or, for instance, the district had a large sale of property value and was able to appropriate that in their budget -- that CEIFA cap would force a reduction in tax levy in that year, and vice versa. So in these last few years, where State aid has been held flat or was slight increases, the CEIFA cap

enabled the tax levy to, in fact, grow greater than inflation to support the budget that was -- of all the revenues, which were capped at the inflation rate plus the enrollment. So it enabled that flexibility and that exchange in the years that the other State aids or local revenues are adjusted.

And what's important to note about that, too, is that in those revenues -- include local revenues -- two categories of local revenues: surplus, as well as what's considered *miscellaneous income*. And so surplus and the appropriation of surplus definitely play into, each year, the amount of tax levy a school district can raise. And the year that surplus is no longer available -- just like in the year that State aid is flat -- tax levy would go up. And that's how the CEIFA cap works.

But the caps aren't applicable after the election. There are some restrictions on certain things. And we can get into it. But the concept of what school districts can do July 1 is not the CEIFA cap. It's another section of law about budgetary transfers and appropriations to amend their budgets. And that section of law is one of the pieces that S-1701 amended. And I will touch upon that when I summarize those changes.

So how it's calculated: Under the law, it's called the *net budget*. But, really, what that represents are those revenues that I just talked about: tax levy, State aid, and local revenues; surplus and miscellaneous income -- and miscellaneous income for folks is primarily district-specific, and it would account for such things as a sale of property, or some fees, or rentals, etc. It varies from district to district.

So the way the calculation works-- It determines how much the school district received in State aid in the categories in the current year, adds its tax levy, adds its local revenues it included to balance its current

year budget, and it inflates that. In this past year, I think that was 4.01 percent. And it compares that to its proposed budget: its proposed State aid, its proposed tax levy, and its proposed local revenues to support the appropriations it has developed. That's the initial increase that is allowed for every school district. Whether a district had an enrollment reduction of 50 percent, that district still would be able to increase its tax levy, as it relates to other spending, by inflation, under CEIFA.

In addition to that, automatically, the law allowed for adjustments if a district was eligible. So the CEIFA cap not only is the inflationary adjustment, it's these adjustments that I've listed on this page -- that if a district is eligible for, it would automatically increase their ability to present a tax levy higher -- or present a budget and a tax levy supported with total spending greater than inflation. And those adjustments are referred to as SGLAs, which I think a lot of people have heard. That includes for increases in enrollment.

And the rest here: capital outlay, special education, courtesy busing, opening a new school, and the rest, reflect the increases in a district's proposed budget over their prior year in those categories already inflated. So they're not getting that adjustment twice, in other words. But what the CEIFA cap does allow is, for instance, if a district had special education costs over \$40,000, then that increased a million dollars, for instance, and that represents a 5 percent growth over -- 6 percent growth over their prior year, they would be able to adjust their spending cap to reflect that 6 percent growth in those categories. That's how the caps would work.

And I also want to note that some of these have been added since CEIFA. In 2002, a new cap adjustment was added for opening a new school facility. That would represent the incremental cost for either a new addition or a new building. And most recently, in 2004, a three-year adjustment was provided for insurance costs. That would be -- include health, as well as all other group insurance, workman's comp. That adjustment expires in the subsequent -- in '07-'08. But for the last three years, school districts have been able to adjust their spending cap, without having a separate question, without having to request -- to cut anything else, at least as it reflects to the cap, for their insurance costs. And I think I just wanted to highlight that, because I think there's been some misunderstanding that that wasn't in place. It is a temporary cap and will expire, under the law, in the '07-'08 budget process.

The last aspect on caps was introduced in 2001. And in 2001, what happened was -- is that a legislation was passed that enabled the school district to actually save -- or what was referred to as *bank* -- any unused, what we call, *spending authority* or *adjustments* that they didn't use in that budget year. So, in other words, if, after inflation and-- They were growing in enrollment of 2,000, and after they applied for all of these adjustments and realized that they could increase their budget by 7 percent -- or those tax levies and revenues, etc., 7 percent, but they didn't need to that year, even though it fell out of here that they could, they were able to save that under the 2004 law -- save that for two subsequent years and be able to, then, in the next two years, apply that difference as, like, another cap adjustment -- another adjustment to be used for whatever purposes they needed.

I'm going to go into some of -- how some of these have changed under S-1701, because that was one of the areas that changed.

So in addition to the base cap, again, inflation plus the enrollment adjustments, CEIFA also enabled a school district to separately go out to the voters and ask for additional tax levy -- in addition to its base levy that's been established based on the CEIFA cap -- for specific programs and services. And those programs and services had to be itemized and detailed out, and they were a separate question, and they could not be necessary for a thorough and efficient. In other words, if they chose to put these items out, they had to ensure all the items necessary were included within the base question and base tax levy going to the voters.

In '06-'07, that represented about 12 percent, I guess, of the districts -- presented separate questions. But you can't translate that, in that 12 percent were actually over the cap, because many districts actually choose to go with a separate question when they're under cap, because they choose to present something specific to the voters separately.

And the last aspect of CEIFA that was recently changed, but still holds-- Because if you think about how I described the cap on spending, that it's a revenue cap; and how changes in State aid, as well as changes in local revenue, for which surplus is one of them-- CEIFA requires -- originally, when it was originally enacted -- that districts -- any amount over 6 percent, they had to use to fund their budget. And by doing so, that would offset the tax levy that was necessary to be raised that year. So CEIFA put in a surplus maximum. And, recently, that was reduced to 2 percent to districts, under the S-1701 amendments.

And, quickly, just to highlight what did change: I didn't list the ECPA and DEPA adjustments on the list of -- on cap adjustments, because they were eliminated; as well as the courtesy busing adjustment was revised to just reflect the incremental cost, which is -- translates to how all the other adjustments work, and reflective of just the additional need that is required for that type of expenditure growth.

It reduced the ability to bank cap -- remember, I talked about it -- for two years. Now they only-- They still can bank it for two years, but they only can bank 50 percent amount of what they're eligible for two years.

And a big change was that it reduced the maximum amount of surplus that school districts could maintain from 6 percent to 2 percent. And that was for all regular districts, except for vocational districts -- were still able to maintain the 6 percent, under the legislative changes.

And that forced, in basically a two-year time frame, a significant amount of surplus to be appropriated into the budgets to help offset tax levy. However, in the subsequent years, as I've described -- as you may understand the cap calculation -- that surplus would need to be made up through subsequent tax levy increases.

And the last aspect of S-1701, in changes to CEIFA, is that it established what I would consider a cap within a cap. It put limits on a smaller section of the overall budget that's already capped. And that was on administrative spending. And the cap itself, or S-1701 changes in this area, established a regional limit that a school district had to spend within. That limit was able to increase by inflation each year. But what the law also did -- it put a provision that the district had to spend the lower of this regional

limit or their current year spending. So the law was very -- I don't want to put a term on it -- but it definitely restricted administrative spending to those districts that were under the regional limit, as it was not -- they weren't able to grow within any year, unless there were some changes that occurred during the year, for which they would have had to get approvals for.

The other changes within CEIFA -- or actually within the S-1701-- And this is what I wanted to highlight before: how the cap of CEIFA is a cap only on the proposed budget and tax levy. Transfers and how school districts spend their money during the year is governed under a different area of the law. Prior to S-1701, school districts had the ability, by board resolution, to transfer between line item accounts. They had the ability to appropriate surplus. Sure, there were some restrictions on capital and other specific appropriations. But, for the most part, districts had the flexibility to transfer. And that would be appropriate under the system we have here, with budgets being prepared six to eight months prior to the actual year -- the vote. Flexibility is definitely needed at a local level.

What S-1701 changed, however, was -- I think, to try to find more accountability to that original budget -- it provided two different provisions in there for -- where it required major transfers over 10 percent to receive the departmental approval; and it also restricted school districts to their original budget for the first nine months of the year -- that they couldn't actually appropriate additional revenue in their budget, and spend for new things, until the last three months of the year -- and required departmental approval.

And S-1701 also restricted school districts' ability to move their surplus balances into their reserve accounts, called *capital and maintenance reserves*. That was required, now, to be implemented at the annual budget.

The third part of CEIFA -- just to highlight -- is that it does have the budget approval process. And given New Jersey's budget elections, CEIFA provides the provisions for which -- when a municipality reviews a budget, cuts a tax levy -- which, again, that process is in a different section, not in CEIFA -- but the process for which that district, then, can appeal or request for additional restoration of those funds to the Commissioner is outlined within the statute, and the time frames for that restoration and process.

So I'm going to take questions. I just-- The last two slides-- I just wanted to highlight how this -- means to a school district, in terms of the cycle of how CEIFA plays out, even today, without the allocation of aid. Because there are other sections of the law that still are applicable.

Each Fall, school districts have to submit their enrollments to the Department -- that ASSA system -- each October. Many school districts begin their budget development as early as September, as early as school begins. We, as a Department, will issue our guidelines. To the extent that we can, we try to do it as early as possible in January. We also, in New Jersey, provide school districts the actual software and the system for them to calculate the cap. And then that system is actually what school districts -- submit the budget for our review. That usually goes out around mid-January. And then, once State aid is distributed -- which under the law, under CEIFA, is required two days after the Governor's budget message, which now can be up to the fourth Tuesday in February -- that is when

school districts can finally develop their final budget. So budgets are normally due early March. CEIFA established a March 4 deadline. But with the change in the Governor's budget message, there was flexibility given in the Department to change that budget calendar each year. And we have. So normally, around mid -- early March, budgets are due. But the end of March is when public hearings are held. And due to elections law, basically the month of April is needed to provide the final tax levy question -- to be provided to the county clerk. And then the whole process of the election and the defeats follows suit. And so the cycle is almost a full 12 months long.

And with that, we offer up -- any questions that you have on specifics. And we can also follow up in areas.

ASSEMBLYMAN CONAWAY: Well, I wanted-- I did want to pause for questions here at this point.

In respect of time-- Our main thrust of our deliberations today were on the question of best practices. So I'll ask the Committee to be somewhat restrained in their questions -- two questions per member, or none -- so that we can move on in the program today.

Senator Cardinale.

Assemblyman Wolfe.

ASSEMBLYMAN WOLFE: That's like asking do I want chocolate or vanilla. I only get two questions. (laughter)

All right, here are my two questions: First of all, Ms. Attwood, I have been in the Legislature for 15 years. I've never heard this -- an explanation like you gave. It was excellent.

Were you reading that from a prompter down there? Were you?

MS. ATTWOOD: It was the presentation that was down there.

ASSEMBLYMAN WOLFE: It was great. Very, very good.

ASSEMBLYMAN CONAWAY: I hope there wasn't a question in there, David? (laughter)

ASSEMBLYMAN WOLFE: Here comes my question.

MS. ATTWOOD: That's fine. (laughter)

ASSEMBLYMAN WOLFE: Two meetings ago, Ted, sitting to my right, gave us a historic perspective on school funding in New Jersey. And the question I had asked at that time was, if CEIFA had been funded for the last five years -- instead of flat funded -- how much additional moneys would have come into the schools in New Jersey? And the estimate was over a billion dollars.

Now, is there any way you can tell us now, or could get for us later on-- If a billion dollars did not come into the schools, how much additional moneys went to the Abbott districts?

MS. ATTWOOD: I would have to get back to you on--

ASSEMBLYMAN WOLFE: Okay.

MS. ATTWOOD: --how much additional moneys definitely went, over the time. I mean, I definitely-- As I mentioned, during that time period, even though CEIFA was flat funded--

ASSEMBLYMAN WOLFE: Right.

MS. ATTWOOD: --with the minimal increases, Abbott funding increased. And I think-- Today, I think we estimate Abbott budgets -- I think are supported, maybe by a third to 50 percent, by CEIFA

funding. So the rest is funded through parity and their additional aid. It's significant.

ASSEMBLYMAN WOLFE: I know. I understand that. But what I'm saying is, a billion did not go to schools in general. In addition to the money that they got, how much supplemental money -- other than what would have been covered by CEIFA -- went to the Abbott districts?

MS. ATTWOOD: Again, we can get back to you on that.

ASSEMBLYMAN WOLFE: Okay.

MS. ATTWOOD: I don't have that on the top of my head.

ASSEMBLYMAN WOLFE: And my second question -- which I guess will be my last question -- is, could you explain why the wealth -- why the CCSA is wealth-based, and all districts are not eligible?

MS. ATTWOOD: Well, I think, from what I heard last week, that it is not uncommon for a foundation aid type of system to have an equalization process. I also believe it's in the Constitution that we have to ensure a thorough and efficient education. And we have to ensure that everybody is provided that, based on their ability to pay or not.

And so when you determine an amount per-pupil to provide, that amount then would need to ensure that those that can't afford -- the State would increase its share, and not-- Why a third don't get it, I--

ASSEMBLYMAN WOLFE: That's my question.

MS. ATTWOOD: You would need to know the details within how the core curriculum standards aid would be allocated -- the total property wealth. But one way to think about it is, if you add up all the property wealth and income wealth in the state, you consider that's how

much can support all the T&E budgets in the state. And then you have a certain amount of aid that's available to support those budgets.

What I've heard it described as, that similar to a tax rate-- So each property value or income that's available has a certain rate that it can fund and support its T&E budget. And for certain districts -- about a third of them -- that their property wealth and income is so high that it's able to support its T&E budget up to the full amount. And for those that can't, core curriculum aid is provided for the difference.

ASSEMBLYMAN WOLFE: Thank you very much.

Thank you.

ASSEMBLYMAN CONAWAY: And also, this is not the first time we've heard this question about flat funding, and the what-ifs. It's my understanding that there are so many variables involved in this what-if -- from what the wealth and income factors -- how they might have changed, what the amount of money was in the budget -- was in the State budget at the time to support the core curriculum standards; the various changes that might have occurred within a district regarding special education, transportation, and all the various things we fund; not to mention the issues with funding Abbott, and that have been tied to the I and J districts -- that makes that kind of calculation next to impossible. But take a crack at it.

But there are some questions that are very difficult to answer, given the number of variables that are involved in the question.

Senator Cardinale.

SENATOR CARDINALE: Thank you, Mr. Chairman.

I'm only going to ask one question. And it comes from a local superintendent, who called me -- I think it was last Friday. And in the

course of the conversation, he said, "Well, you know, these formulas are one thing. But we haven't gotten our State aid for three years." Is he right?

MS. ATTWOOD: They've gotten at least the amount they've got in the previous year, except for this one last year. As I said, some districts may have had a slight decline, based on declining enrollment over five years. But every district has been given the amount of State aid of its previous year.

SENATOR CARDINALE: So he's not telling me the truth.

What I took from his remark -- and I'll go back to him and tell him, again, what your answer was -- is that there was a certain amount of money that that particular district was entitled to, under the formulas, but that was not paid. In fact, those moneys were not received by that district.

Is that a possibility -- that that is an actual situation?

MS. ATTWOOD: I can only think he's referring to -- if actually CEIFA was run -- that, in his opinion, he had a major enrollment growth, or some other shift, that he would determine that he would have received additional aid. And because it was held flat to that district the prior year, he didn't get some aid that he felt he was -- deserved to receive.

SENATOR CARDINALE: Thank you.

ASSEMBLYMAN CONAWAY: Senator Doria.

SENATOR DORIA: Thank you very much, Mr. Chairman.

I want to commend the presentation.

My question relates specifically to the issue of foundation formulas. And this formula -- the CEIFA formula was created as a foundation formula. That is something that at least most education experts

say is the best type of formula. Could you explain maybe a little further, for everyone here, what a foundation formula really does mean?

MS. ATTWOOD: Well, I'll let Bob add to this.

But my understanding of what a foundation formula is -- and I heard it explained, I thought, last week, too -- was that, under a foundation formula, there is a determination of an amount that's required to support a regular education student. And that amount -- and under CEIFA, there's the T&E model to determine that. That amount is determined -- required to provide the State standards, and then -- for which everybody would be eligible to receive that; except to the extent that there is then an application of those that have less affordability to pay for that, the State picks up a greater share of that amount.

And I would turn it to you, if there was anything more to add.

ROBERT K. GOERTZ: Well, I think the only thing that I would really add is that exactly how that amount is established has been, as you know, Senator, an issue in other states, and in this state, over time. But it really is dependent upon the regular education of the student. And that can be weighted by the grade that the student is in. For example, more money for high school, more money for middle school. It can be weighted by disability factors or other kinds of things. I mean, states play with exactly what that foundation amount is in lots of different ways, in terms-- And, again, as you have heard -- about whether or not some of these other factors are, again, wealth-equalized. There are states that will equalize factors such as special education costs, or transportation costs. New Jersey is not one of those.

SENATOR DORIA: We, in fact, in CEIFA, did create different bases for the different grade levels.

MR. GOERTZ: Correct.

MS. ATTWOOD: Yes, weighted enrollment.

SENATOR DORIA: And so that was a weighted enrollment based on grade, when CEIFA was created.

And we also, when we created CEIFA, did create a weighted value as it relates to wealth. That was part of the actual formula that was created that we, in the Legislature, passed, both when we did CEIFA and QEA.

MR. GOERTZ: Correct.

SENATOR DORIA: And all formulas would have something like that?

MR. GOERTZ: Yes.

MS. ATTWOOD: Yes.

SENATOR DORIA: The only thing then, maybe, to help delve a little further with the question that Assemblyman Wolfe had, is that the CEIFA formula applies to everybody but the T&E -- but the Abbott districts, in the sense that they get the basic CEIFA formula aid, but then there's the parity aid, which is a result of the court decisions. Am I correct?

MS. ATTWOOD: Correct. Parity aid is not a construct of CEIFA. And Abbott districts have been flat funded on CEIFA, just like everybody else, for which the other aids have made up the difference.

SENATOR DORIA: So that the difference -- and it's important to understand this differentiation, as we discuss this -- is that the CEIFA formula applies to everyone. In the Abbott situation -- then the courts have

imposed the parity aid, which then does change, on a yearly basis, based upon the parity. And what is the parity with -- so we can understand that? I think-- Where does-- How is the parity created? It's parity with whom or what?

MS. ATTWOOD: With the I and J spending.

SENATOR DORIA: With the I and J districts. That's important to understand. As the budgets of the I and J districts increase, and they determine that they would increase their budgets, then parity requires that the budgets of the Abbott districts, then, also increase. Am I correct?

MR. GOERTZ: Correct.

SENATOR DORIA: Thank you.

ASSEMBLYMAN CONAWAY: I would just inquire as to how is the per-pupil -- or how was the per-pupil funding amount determined? Can you tell us about that process? Did they look at spending in particular districts to come up with a number that they start almost, like, in a zero-based budgeting way; to look at other states and how much they spent? Do they compare districts in New Jersey across income or region? What was the process to determine this per-pupil spending amount please?

MS. ATTWOOD: Well let me first -- by saying that that does predate my time, and I wasn't part of that process. But looking into it, it is my understanding -- is that that was developed with professionals -- mostly departmental staff, in terms of looking -- but reaching out to other folks as to what was required. I mean, the departmental staff was the -- is the expert on achieving the standards of New Jersey, and to determine what programs, services, activities, materials would be required, with certain

assumptions that were made. And then that was costed out. And in the normal costing out process, of any type of model, would be looking at actual expenditures in those areas.

So there was a process that originally established the efficiency standards and the T&E model. As Bob alluded to, there are a lot of questions. There could be questions on how that process could be done. There are different ways to do that. But with the T&E model, my understanding is that that was how it was developed. And then, under the law, it did provide that provision that, every two years, all of that was revisited, and presented, and updated.

ASSEMBLYMAN CONAWAY: And for-- My second question, I guess -- a more brief one. And that is-- I just want to make sure that I understood what you said -- that CEIFA will allow, the way it's written, school districts to increase their budgets, even though they had declining enrollments, which would presumably mean they had declining costs in the district. Now, I know someone is going to -- I know they're going to challenge -- somebody is going to challenge that. But let's--

I mean, the point is that the budget was allowed to grow, even though cost factors that might drive the budget might have stayed flat or actually decreased. And so CEIFA allowed for growth almost all the time. I mean, there was-- Is that right?

MS. ATTWOOD: That was the point I was trying to stress -- was that there is -- the cap under CEIFA automatically allowed a school district to increase, up to inflation, without -- and that's assuming they're not eligible for any of the other adjustments -- in their proposed budget.

And I think it's important to note that not every school district does that, even if they're allowed to.

ASSEMBLYMAN CONAWAY: Well, that concludes the questions from the Committee.

And I want to add my own compliments to those members of the Committee who complimented you on your presentation. Thank you very much for helping us with this part of the process.

MS. ATTWOOD: Thank you.

MR. GOERTZ: Thank you.

ASSEMBLYMAN CONAWAY: The next portion of our hearing today, and I guess the original focus for the schedule, was to look at best practices in terms of the providing for education in the State of New Jersey.

And the Committee thought it was advisable to bring in representatives of those districts who are judged to be high performing. And the first such witness in that category is Mr. -- perhaps Dr. (*sic*) Stanley M. Sanger, Superintendent of Schools, for Union City, who has joined us today to offer his thoughts about his success in Union City.

Please come forward -- about his success in Union City, to enlighten us on the kinds of things that he has done there, the innovative approaches he's taken to education.

And with that, we have Dr. Sanger.

S T A N L E Y M. S A N G E R: Thank you.

And it is a pleasure to be here this afternoon as the Superintendent of the Union City School District.

Accompanying me this afternoon is Mr. Anthony Dragona, the School Business Administrator for the Union City School District. He is here this afternoon as a resource person and someone who will be available for any questions, or any assistance, on issues that you need to be answered.

This afternoon, I've been invited here to share with you some of the best practices that we were able to employ in the community of Union City, the Union City School District, which have allowed us -- as we would like to think -- to be successful.

And let me start by saying that in no way, shape, or form do we, in Union City, have the magical formula; do we have the magical cure; do we have, what we'd like to think, a lock on anything that has made the -- our district successful, when it comes to the utilization of Abbott funding. But I will share with you, this afternoon, the practices we feel have made us -- allowed us to be successful and have certainly put us in the position today where we feel we have sustained academic achievement for all of our students.

And I'd like to start by sharing with you -- and you may look at our overhead here to follow along with me -- some demographics about the Union City School District. We have nine elementary schools in Union City, one middle school, one high school, one adult education learning center, and we have a total amount of 11,400 students who attend our schools on a regular basis.

We have a high population density in Union City, where over 68,000 residents are in a 1.4 square mile area. But when you speak with most agencies in Union City, most people feel there are about 85,000

people that are really in our, what we call, the most densely populated city in the United States.

With that, we have a high poverty level, where 87 percent of our students are eligible for free or reduced lunch. That is a whopping figure. Also with that high poverty comes socioeconomic stress, which requires supplemental services to students and parents. And with that, something I'd like to share with -- which I feel is most important, what I think you should come to an understanding of -- the fact that 50 percent of the total student population -- which is 11,400 -- are from the areas of limited English proficient or special needs. So 50 percent of our students in Union City are either -- have a limited English proficiency or have a special needs issue. And one thing we are experiencing in Union City is the fact that we have 40 percent of our population in our bilingual program. And with that being said, it's a fact now that more and more of our students are coming from countries other than the United States, who are coming from rural areas of those countries, who have never had a formal education themselves -- themselves, as well as their parents; or a very limited education. And the fact, now, is that they're becoming less and less proficient in their native language, which makes the transition to the English language so much harder to achieve. So that is a tremendous challenge.

Also, the fact that more and more parents are coming from these countries, who have never had a formal education themselves, and their role in the educational process needs-- We need to address that role with them. So our role is not only to educate the students, but also to educate the parents as to their role in the educational process.

The other statistic is: 97 percent of our student population are of a Hispanic background, and the fact that 97 percent -- the dominant language in the home is Spanish.

Some highlights I can share with you: 95 percent of our students attend school on a regular basis; 97 percent of our teachers -- 97 percent teacher attendance rate, which we're very proud of; 83 percent of our high school students graduate; we have a low rate of out-of-district, special needs placement. Only about 4 percent of our students are placed out of district, which shows we're doing our best to keep as many students in district, and keep the cost and the savings -- the cost savings for those students. We do have a 23 percent student mobility rate, which is down from 35 percent, which we experienced maybe six or seven years ago. And something we are extremely proud of is the fact that the Union City School District -- and I can say this with a pat on the back for my Business Administrator -- we have never applied for additional supplemental funding through Abbott aid.

To give you an idea of the make-up of Union City, prior to Abbott funding: In 1998 -- the late '80s and early '90s -- we were on Level III monitoring status, which meant we were on the verge of State takeover. We had crumbling school buildings with numerous and serious health and safety issues. And as I mentioned before, we had a 35 percent student mobility rate. And we had a high teacher turnover rate, which basically was the fact that many teachers thought it best maybe to leave the district and work elsewhere.

With the advent of Abbott funding, and with the New Jersey Supreme Court decision, with Abbott parity funding provided, we had

established individual school planning and management, which was essential in the reform process. And I will say that Abbott funding was, and is, crucial to our success and the growth of our school district, as well as our community. And school construction is essential, as well.

To give you an idea of how we did utilize Abbott funding -- was the fact that we were able to provide and establish more and more positions in order to service students within our schools. And with that, we were able to allow for whole school reform facilitators, which basically are people who are involved within the school who headed our school leadership councils, which basically was, in many ways, shapes, and forms -- changed the way of doing business within our schools.

Also, we had whole school reform social workers to address the needs of our students. As was mentioned, they were challenged in many different ways due to their socioeconomic status. And school social workers were vital in this process.

Home-school liaisons and parent liaisons-- Each school had a parent liaison and does have a parent liaison to allow for the home-school connection, which is important in the educational process.

Literacy specialists and literacy coaches-- Of course, the importance of reading at the lower level -- and reading being the basis for all solid learning and sound learning within our schools -- so the importance of literacy specialists and coaches.

Support service personnel: Counselors, social workers, health advisors, and positions of that nature were vital in allowing us to lead to student success.

Technology facilitators: Understanding that technology is a very important instrument in the instructional and educational process -- and not only the fact that technology -- for information; but technology as an instructional tool to enhance student learning.

And that fact that we were able to have -- establish early childhood master teachers; with the fact that, in Union City, in our early childhood program, we have some 1,600 3- and 4-year-old students who attend community providers, and to ensure that the community providers are not acting on their own and are in isolation on their own. And we all know what might happen with isolation -- the chances of success are less and less. But with the assigning of early childhood master teachers to these sites, it ensures that our philosophy and our curriculum is being followed and our -- what we call our best practices, developmentally appropriate practices, are being followed in our centers.

Also, the Abbott initiatives and best practices-- We follow, in Union City, something we call our blueprint for sustained academic achievement, which is basically our roadmap for success. And it is our vision for learning and success. Within the blueprint for sustained academic achievement, we have established school leadership councils so people can have an ownership, establish a trust, set objectives and goals for the schools -- to be followed. And when people have an ownership into that, and there's a trust that's been established through those councils and the central office of the board of education, we have a tendency to move forward and get the results that we've achieved.

Also, the fact that we have school-based budgeting now -- and not only school-based budgeting, but sound fiscal procedures to ensure

accountability. Yes, accountability and responsibility is so utterly important in our process in Union City. Nothing else is accepted. It's unacceptable, unless there is accountability and responsibility of all people involved, all people who work with children.

The fact that all curriculum is aligned to the New Jersey Core Curriculum Content Standards; that there is collaborative planning to promote articulation. And we talk about collaborative planning -- we talk about it at the grade level, which is horizontal, as well as vertical in grade level to grade level. And that allows the fact, again, that no teacher, in any way -- or anyone who is part of the instructional process with children -- can act on their own or in isolation. They must follow the plan. Because our success in Union City -- we are research-based, and our success shows that if you follow this plan, and this blueprint, that the students will achieve.

Also, the fact that we have administrative team meetings. And everything we do, in Union City, at those administrative team meetings are research-based and data-driven within all our strategies. So no one can come and say they like this program, they like that program. We tell them, "Show us the data. Show us the research. Show us the history. How is this going to work?"

To go along with some additional Abbott initiatives and best practices-- And I know I'm sharing a number of them with you, and I know that -- I've been told that I only have 15 to 20 minutes to do so -- so to give a snapshot in such a -- of a district that really evolved over a number of years to our success-- I'm trying to do my best to provide that snapshot for you in this period of time.

We do have something we've established, in Union City, we feel is unique for -- within our district. We have eight-week assessments. So all of our students -- how our curriculum is presented to them in its proper scope, in its sequence. So all of our students are assessed each and every week. So no student could basically fall through the cracks. So we know exactly where they are in the curriculum and as we lead up to standardized testing, in its proper sequence, towards the end of the school year.

We have quality, professional development within the district, which is professional development -- which is the teachers themselves. The instructional people themselves have been surveyed. And they basically tell us what they like -- how they'd like to be developed, and what areas they feel that they would -- they need the most assistance and help.

Also, the use of administrative technology tools: In our human resource department, everything -- we have a database for everything in our schools. And this is of tremendous assistance to be sure that we have highly qualified teachers in all mandated areas.

Also, the extended day and extended week instruction: Students who go through the eight-week assessment, and who are lagging behind and who have not mastered skills to that point will be assigned to go to extended day; will be assigned to go to extended week, on Saturdays, as well. And we have dedicated staff who work with those students. And they are truly an extension of the everyday classroom. So those same skills that are being taught in the classroom on a regular basis are also taught at the extended day and on the weekends.

We also have what we call our administrative face-to-face meetings for continuity and accountability. We will be doing that this week in the inner-city school district Wednesday, Thursday, and Friday. My central office administrative staff will be meeting with every administrative team in 12 of our schools. And we'll be sitting down with them and asking them to share with us their blueprint -- the copy of their comprehensive plan for student success, where built in that plan is basically an individual plan for each student, and how that student will come to be successful. And we'll be doing that this week.

And also the fact -- as I mentioned before, we have a quality early childhood education program for all 3- and 4-year-olds, where we share developmentally appropriate practices with our community providers. And we like to think that our success with the third and fourth grade standardized testing is a result of the sound -- now sound practices and the work we've done in the early childhood program.

As many of you know, the early childhood program is about early identification. And the fact that many of our students -- 3- and 4-year-olds are screened in different ways, as to their backgrounds in education, as well as health screening. Students in our early childhood program are health screened to try to identify any issues that may hinder them from being -- from moving ahead, educationally. Students get tested for lead, students get a dental screening, as well as a full physical. And at that age, 3- and 4-year-olds-- Basically what's happening, ladies and gentlemen, what we're identifying now with 3- and 4-year-olds, that -- maybe years ago, when we all went to school, maybe identified in 6-, and 7-, and 8-year-olds. So that early identification is really working well and is

allowing us to have students on the right track. And that is evident now. And the result of that -- the positive result is coming out with our third and fourth grade testing, and that level at which we've done it quite well.

Moving along, a sustained academic achievement has become institutionalized in Union City. We do not-- We feel success is the norm, not the exception, now. It's something that has been happening for many, many years, and we're hoping to continue.

And without getting into the individual statistics, the inner city students have achieved some of the highest test scores among New Jersey's urban school districts on standardized tests. And I'm happy to say, this afternoon, that in Grades 3, 4, 8, and 11, we have met or exceeded the State objectives in all areas, except for one that we're still working on, but is common -- in the fact of working with our special education students, our special needs students. But we are employing and putting together more and more strategies to address that and, of course, try to get that to the level of acceptance, as well.

And just to give you, again, an overall view of our success-- We've had five Benchmark schools, as identified by the New Jersey Business Coalition. We've had three Best Practices schools, awarded by the New Jersey Department of Education; one Blue Ribbon school, by the U.S. Department of Education; one Governor's School of Excellence, here in the State of New Jersey; and one Title I Distinguished School, by the U.S. Department of Education. We've also had, this last year-- One of our technology teachers was the New Jersey Technology Teacher of the Year. And our fiscal reporting -- what we feel is a sound management within our

budget process -- we've been awarded the Certificate of Excellence by the Association of School Business Officials.

Some final comments-- And I hope I've given you an overview of some of the practices, in a short period of time, without much detail -- but an overview and a snapshot of our practices in Union City that will assist you and give you some general knowledge and general idea of practices that have led to success, not only in Union City, but in many Abbott districts throughout the State of New Jersey.

My final comments are: the fact that successful use of Abbott funding has happened in Union City. We have gotten the bang for our buck in the Union City School District. And we'd like to continue with that.

All Abbott districts have varied degrees of success. And as an Abbott Superintendent, it seems that all Abbott districts have been painted with one broad brush. And that does not fairly describe the results of Abbott funding within many districts. And I think that's something that all of us, as responsible people, should be looking at and realizing.

Also, in the process -- the importance, now, of having healthy, collaborative partnerships with local government, having partnerships with the State Department of Education. We, in Union City, at the Board of Education, are very fortunate to have a collaborative partnership with the city government. Working closely with Mayor and Assemblyman Brian Stack, we have been able to move many projects and initiatives forward, in the city of Union City, with school construction and just so many programs that I just don't have time to share with you.

And just one final statement: the fact that Abbott funding and school construction is vitally needed -- in the State of New Jersey, as well as in the city of Union City -- to continue. And if we're -- if urban districts are to be compared to most successful districts throughout the State of New Jersey, this funding is much, much needed to continue, so we can progress rather than regress, and continue with some of the great things that are happening in our urban districts.

And thank you for this opportunity.

If there are any questions -- or in any way I can assist you, I'd be happy to -- I'd be happy to answer them this afternoon.

And, also, my Business Administrator -- let me remind you -- Mr. Dragona is here to help me, as well.

Thank you very much.

ASSEMBLYMAN CONAWAY: Assemblyman Stack, for comments and questions of Mr. Sanger.

ASSEMBLYMAN STACK: Mr. Sanger, Mr. Dragona, thank you both for being here today. I'm excited and I'm honored that both of you are down here testifying before the Committee today. Congratulations on a job well done.

As a student of the Union City school system, I've seen firsthand -- and then, later on, as an elected official -- the improvement in our school system. And it's just magnificent. You've done a great job. And when you look at the statistics in Union City -- and I hope that each member of the Committee really does look at the stats. When you have 11,400 students, you have the socioeconomic problems that we have in the

community-- And you know, firsthand, I work hand-in-hand with the school system on a daily basis.

When you look at the poverty level in Union City -- where it's much different than a suburban district -- where a child may go home and have four or five brothers in a one-bedroom apartment, and have to study under those conditions. What you have done, in cooperation with the staff, and administrators, and the teachers, and the support staff, along with the parents in Union City, is incredible and unbelievable.

When I see the test scores in Union City-- And I see, firsthand, when I attend an assembly in our school district in Union City -- and you see how well-behaved the children are in our city; and you see the poverty level that's in our city, but yet, how well they've done, and the colleges that they go on to. And the success they have in our sports programs is magnificent.

I know, recently, you instituted a uniform program in our entire school system. And it's worked out very, very well. Not to mention, many of them have come to me to help them pay for the uniforms, because it is a poor community. But I'm more than happy to do it when I see the improvement that we have.

When you look at our new schools -- José Martí-- But then you also look at a school like Edison -- Edison Grammar School -- which is the grammar school I attended: At one time, it had over 1,800 students, yet one of the best test scores in the city. It says a lot about what you have done, what Mr. Dragona has done, the entire staff in our school system.

There's a lot I could say today. I'm just very, very proud. I congratulate you. It's an honor to have you down here.

I thank the Committee for indulging you and having you down here today. And I'll leave the other Committee members to ask questions. And if I have anything at the end, I'll finish it up.

But thank you very much.

And thank you to the Committee.

MR. SANGER: Thank you.

ASSEMBLYMAN CONAWAY: Senator Cardinale.

SENATOR CARDINALE: Thank you, Mr. Chairman.

Mr. Sanger, what is the total amount that you spend every year?

MR. SANGER: Our budget, this year, was \$187 million, sir.

SENATOR CARDINALE: One hundred eighty-seven million dollars. So that brings you to approximately how much per student?

MR. SANGER: About \$14,200 per student.

SENATOR CARDINALE: Okay. I calculate it a little bit more, but that's okay.

What portion of that \$187 million is paid by the taxpayers -- the property taxpayers of Union City?

MR. SANGER: I believe -- and I don't have the exact figure -- but maybe Mr. Dragona would have a little better idea -- but I believe around 20 to 25 percent.

SENATOR CARDINALE: Twenty-five percent?

MR. SANGER: Yes, 20 to 25.

SENATOR CARDINALE: So if you were to hire somebody, and pay them \$100,000, \$75,000 of that \$100,000 would come from the state taxpayers. Is that approximately right?

MR. SANGER: Yes, sir.

SENATOR CARDINALE: That kind of ratio-- Does that ever create a temptation to hire political appointees?

MR. SANGER: No, I don't think that ratio-- No, I don't think so at all. No.

SENATOR CARDINALE: You don't think that being able to hire political appointees and having three-quarters of the money come from somewhere else creates any temptation?

MR. SANGER: No, I don't think it creates a problem at all. No, not at all.

SENATOR CARDINALE: Have you ever hired any people from the political system in Union City?

MR. SANGER: I don't know what you mean by political system. But we have hired people who are -- live within the community, are active within the community, and things of that nature. You do want to hire people who have experience in the community, especially teachers and aids, who live within the community. And we feel if they live within the community, they have something vested in the community. And they would best service the community, because they have a caring and a dedication to the community they live in -- a genuine interest in the community. Yes.

SENATOR CARDINALE: Have you ever hired somebody who has been elected as a commissioner?

SENATOR ADLER: Senator, excuse me. I'm pretty clear this isn't a deposition. (laughter)

MR. SANGER: Yes, I'm a little off by that. I'm sorry. I'm a little taken back by that.

SENATOR ADLER: Hold on. Wait. I think I can handle it. Trust me on this.

So, Senator, respectfully, I think we brought Mr. Sanger and his Business Administrator here because Union City is an example of best practices within the Abbott community. I think if you want to ask him questions about what's worked there, what might be replicated in other Abbott districts, and in other non-Abbott districts--

MR. SANGER: I would feel more comfortable. Thank you.

SENATOR ADLER: Mr. Sanger, please. I think I'm on a roll here. (laughter)

So I guess I would respectfully suggest, since his test scores are good, we're actually getting the bang for the buck; we want, as state residents and state taxpayers, for children in probably greater need than some of the kids in your district or my district -- that we should maybe be asking him what we could do -- that Union City's doing -- what we can do elsewhere, and make that be more of the model, more of the standard. I think that was the purpose of Chairman Conaway's invitation, and Assemblyman Stack's invitation to the Superintendent today.

So, ask whatever you want, as long as it's restricted.

SENATOR CARDINALE: Mr. Chairman, the newspapers are full of abuses that are being reported in the spending of public money. Union City is not an exemption. It's not an exception to that. There have been many allegations. And there are current situations, with respect to Union City, and educational money, being--

Hey, I love high test scores. I love improvement in the educational opportunity. There is a cost involved to achieve that, and I accept that cost. But there can be an incremental cost, that goes hand-in-hand with the kind of organizational pattern that has derived out of the availability of a pool of money. And as you know, pools of money attract people who want it.

And I have a whole series of things that have been reported to me, by people who are familiar with the Union City system, since it was announced that Mr. Sanger was going to be here. And since he is here, I believe it is fair to ask him about these various allegations that have been made, that there is, indeed, a political patronage aspect of that \$14,000 per child. Not every district spends \$14,000 per child. Not every Abbott district spends \$14,000 per child. And how much of that \$14,000 per child is going to education, and how much of it is going to fund a political patronage system, I think, is part of the things that this Committee needs to look at.

SENATOR ADLER: Well, I hear you. I guess my sense is that, when I heard Mr. Sanger's testimony, and looked at the numbers for Union City, I was actually encouraged.

I live near Camden, which has a failed school district, with all the scandals that you're hinting at -- that might be possibly, marginally true, about Union City -- that are rampant, and obvious, and overt in Camden City. And so when I hear that the Union City test scores are going up, and they're going up for third graders, and fourth graders, and eighth graders, and eleventh graders, I'm thinking that this aspect of Abbott is working pretty well. I don't suggest that your notion that when there's a pot of

money, some money gets misspent negligently and, occasionally -- anywhere, in any type of community -- sometimes in bad faith. And I don't suggest that of Mr. Sanger and the Administrator in this case.

But the reality is, this may be one of the happy examples of the State having spent money for poor children to get a thorough and efficient education. And it looks like, with that money being spent, those kids have gotten a thorough and efficient education.

I'm pretty darn happy about that. I'm despondent about what's happened in the city of Camden and in some other communities -- but particularly the city of Camden, which seems so often to be uniquely different, such an outlier in so many different areas.

I look at this testimony, and the writings we have in front of us, and I think that's a pretty good thing. And I think that's what we should take from this discussion.

I don't want to foreclose the possibility of your doing an op-ed piece, or your doing a press conference criticizing Union City, and criticizing whoever you think is the wrong doer. You should do that. But I'm not sure that more than a couple questions on why Union City costs \$14,000-X, and some other Abbott district costs \$13,000-Y, I'm sure-- I'm not sure beyond that there is a lot of scope that -- or latitude that Assemblyman Conaway, as Chair of this Committee, is going to allow you.

SENATOR CARDINALE: I share your dismay with what I've read about Camden. I don't live there. I don't look at those schools.

I share your elation at the successes that have been reported with respect to Union City. But I would respectfully suggest that that's not

the whole story, that there's more to the story. And if we're to be effective, we need to get answers to the whole story.

What we have in Union City is an appointed board of education. It is not an elected board of education. What we have is a lot of people who believe -- and maybe they're wrong. Maybe Mr. Sanger should have an opportunity to say that they're wrong. But there are a lot of folks who think that -- and maybe they're being well-used, maybe they're being badly used -- that the board of education has become an arm of a political patronage system.

I don't live there. Other than asking these questions, I have no way of getting to what is the reality, and what is simple, unfounded accusations.

SENATOR ADLER: Just a second, Senator Doria.

SENATOR CARDINALE: I'm not going to write an op-ed piece about something I don't know.

SENATOR ADLER: I'm not sure this is the right forum -- given the tremendous urgency expressed to us by the members of the Legislature, by Governor Corzine, and really by the people of New Jersey to deal with this property tax crisis facing the people. I'm not sure this is the right forum, today, to delve into a particular series of anecdotal allegations.

We serve on another Committee together, where, routinely, we get allegations about people being nominated for very important positions. And we spend a lot of our time, not in the Committee, sifting through what is nonsense, and what is falsehood, and what has some hint of merit. And then we ask a fairly limited scope of questions and, I think, generally get to the bottom of it, most of the time.

And so I would suggest to you that I know Herb Conaway. I know how unwilling he is to let you go on. I'm much more flexible, of course. (laughter)

And after Senator Doria has a comment--

ASSEMBLYMAN CONAWAY: That's why you need to control this gavel.

SENATOR ADLER: I'm hopeful that you'll--

SENATOR CARDINALE: Mr. Chairman, let me suggest to you--

SENATOR ADLER: I'll listen on his behalf.

SENATOR CARDINALE: --that if we hadn't engaged in this soliloquy, I probably would have been finished with my questions by now. (laughter)

SENATOR ADLER: I know you, and I don't believe that to be true. (laughter)

SENATOR CARDINALE: There's only one way you could find out.

SENATOR ADLER: Well, I can stop you right now.

Senator Doria, you had a brief comment before we move on to the next one.

SENATOR DORIA: I'd just like to-- Senator Cardinale just gave a blanket accusation against appointed boards of education. And I would like to just argue that -- and I will argue in this Committee -- that I believe that an appointed board of education is much more effective than an elected board of education. I know that's heresy, because everyone thinks that democracy is the best form. And I believe in democracy, but I

do think that the present system that exists in many elected boards of education -- the amount of political patronage that exists there on the part of those individuals who have to be elected-- And we all know what that involves, Senator; and we know what it means to raise money for elections, including board of education elections -- that to just make a blanket statement that an appointed board is more political than an elected board, in my opinion, is unfounded. Because there are as much politics, if not more politics, in elected boards, where the members have to be elected, and have to, in many instances, kowtow and cater to the constituencies, or raise money in order to be elected.

I served on an elected board of education. My board now, in Bayonne, is not elected. Because when I left that board in 1980, we put it on a referendum. And the people determined that they did not want an elected board of education, after having had it for a number of years.

I think that the issue of an elected versus appointed board is an important issue for us to discuss. But I think to give a blanket statement that an appointed board is more political than an elected board is unfair, given the problems that existed in elected boards throughout the state, as well as appointed boards. And we can show those problems in many instances.

ASSEMBLYMAN CONAWAY: Just let me clarify, on behalf of the Chairman and myself.

The purpose of this Committee today is to look at best practices in a district that has been successful in educating the poorest and neediest students in the state. And there may be a forum for bringing up

various accusations, unfounded as they are. But it's not today, before -- and on the agenda of this Committee.

Now, if the Senator or anybody else has questions related to best practices -- which was the purpose of this Committee -- then I invite them to ask them. If we are going to engage in (indiscernible) attacks from here, I'm going to ask you to suppress them.

So, Senator, you have the floor. If you have a question about best practices, please ask away.

SENATOR CARDINALE: Mr. Sanger, do you think it's best practice (laughter) to hire, in a created position, a newly elected city commissioner? (no response)

ASSEMBLYMAN CONAWAY: Next question, Senator Cardinale.

SENATOR CARDINALE: I haven't gotten an answer.

Is that a best practice? Is that something that has occurred in Union City, months ago? Is it good?

MR. SANGER: Mr. Chairman, do you wish that I respond to that?

ASSEMBLYMAN CONAWAY: At your--

MR. SANGER: Because you just said--

ASSEMBLYMAN CONAWAY: You're here on a voluntary basis. You may answer or not.

I have tried to admonish the Committee to stick within the confines of what we're trying to achieve here and the information we're trying to put before the public, and that is, the kinds of things that you're

doing in Union City that are inuring to success in educating the most disadvantaged students in the State.

Now, that question, in my opinion, does not -- is not on topic.

You can choose to answer it or not.

MR. SANGER: Well, I'm going to choose to stay with the focus of our presentation this afternoon, as to best practices, and basically follow the lead of a number of the gentlemen before me in their statements.

But I will say that the Union City Board of Education is extremely proud of our success. We have extremely hard-working administrators, teachers, and many, many, many people who have been instrumental in allowing students to be successful.

We have had more and more students excelling in the area of going on to college, in SATs -- students going on into the workforce and through work experience. That is my focus, the children of Union City.

And I will say that we're very proud of our practices. We will continue with those practices. And the fact that we are spending-- Our cost per pupil is the fact -- as I stated before, and this aligns with my presentation -- the fact that more and more of our students are coming with social issues, with issues of -- special needs issues, and issues related to limited English, and they require more and more services.

So a lot of that goes toward that. But the bottom line is, we're getting success, and when you get success--

ASSEMBLYMAN CONAWAY: Success is the watchword. Success is the watchword.

MR. SANGER: Success is worth the money, and we're very proud of that. We will continue with that practice.

Thank you.

ASSEMBLYMAN CONAWAY: Assemblyman Stack, do you have a question?

ASSEMBLYMAN STACK: I don't have a question, Mr. Chairman, I'm sorry. But I'd like to just make a statement to what Senator Cardinale said, and I would be remiss if I didn't, being the Mayor of the City.

The voters of Union City -- the residents of Union City -- weren't rammed down their throat with an appointed school board. In fact, they had an opportunity two years ago in which they soundly rejected an elected board of education by a margin of 8000 to 3000, so some of this same--

SENATOR ADLER: Assemblyman, Assemblyman, I apologize. I have to stop you.

ASSEMBLYMAN STACK: Sure.

SENATOR ADLER: If we're going to be-- If we were to cut off Senator Cardinale for asking questions that are not germane to this topic, I think it's fair that we be balanced for all the members of the Committee, including the Chairs.

ASSEMBLYMAN STACK: Absolutely.

SENATOR ADLER: So I respect what you're saying. I respect Senator Cardinale's right to make any allegations which he can support or wants to unearth.

I think it's not germane to this topic today. I think what Mr. Sanger just said was helpful, and I think we should move on to questions.

ASSEMBLYMAN STACK: Absolutely.

SENATOR ADLER: But thank you for those comments. I'm sorry for cutting you off.

Assemblyman Wolfe.

ASSEMBLYMAN WOLFE: Well, my allegations include-- No, no, no-- (laughter)

I was very interested in one of the things you said, and that is the collaboration issue. You indicated the teachers, administrators, and people from the community were collaborating to help with the success, and you basically gave a lot of people equal recognition.

But I'm wondering, what roadblocks did you face to get this district into the status of the recognition it's achieved today?

MR. SANGER: Well, the roadblocks of, basically, no overall -- of changing the culture of a district, and basically, business as usual.

As I stated earlier, in the late 1980s and early 1990s, I was an administrator within the school district, and we didn't have the success that we're achieving today.

But, basically, the roadblock was just, sir, was basically changing the culture of business as usual -- having more and more people involved in the educational process in a continuous cycle of improvement. And that is something we work very diligently towards.

ASSEMBLYMAN WOLFE: Did you have any extra negotiations with, say, the teaching staff, because of some of these collaborative efforts?

MR. SANGER: Well, what we did--

ASSEMBLYMAN WOLFE: Was that required?

MR. SANGER: We formulated the School Leadership Councils, which each and every staff member had an opportunity to be part of. And what we do is to -- established a trust relationship with them, and allowed them to establish their own school-based budget, allowed them the goals and objectives of the school.

And the fact that, as far as the teachers being hired, each and every one of the teachers hired in Union City -- and this is something that led to that -- went through the School Leadership Council and through the school's administrative teams. They interview. They recommend.

And I most-- In most cases, a very, very high percentage -- almost all -- I will recommend to the board of education that these people be hired, due to the fact that the administrators within the schools and the people on these Leadership Councils who interviewed these teachers--

And for the simple reason, if they're responsible for the test scores and for student progress, they should have a say in who's being hired. And we do that, and we believe in that approach very strongly.

ASSEMBLYMAN WOLFE: Thank you.

ASSEMBLYMAN CONAWAY: I just had a couple of questions on some of the things that you mentioned.

And that is -- I guess early on in your comments, and one of the things that our staff certainly informed us of in anticipation of your visit here today -- and that is that your district has never applied for additional supplemental Abbott aid.

I'm curious about that, because it's one of the things, as budget time rolls around, we're often faced with trying to figure out how to fund,

and I'm just wondering why you've been able to manage to have such a high success rate without accepting this extra aid.

Now, mind you, I'm not one of these people who believes there is a correlation between success and money that's spent, but you might comment about that, if you would.

MR. SANGER: Mr. Chairman, if you wouldn't mind, I'll have our Business Administrator, Mr. Dragona, answer that. He's the man most equipped to answer that, as he's really the money manager of Union City.

Thank you.

ASSEMBLYMAN CONAWAY: Great.

ANTHONY N. DRAGONA: Good afternoon. It is a pleasure to be here this afternoon.

What we've done in the implementation of Abbott and the Abbott decision and the Abbott funding-- We've embraced the concept of school leadership and school-based budgeting.

What that has done, was that it afforded every school to develop its own personality, its own needs assessment, its own operational plan; and then we simply funded that plan, as long as those concepts were based upon data.

Early on, some of those concepts were not based upon local data, but more in theory as to what some of the educational experts were putting out there.

So what we tried to do is always remain flexible so that that school plan -- we operate under the concept of no-fault -- that if a school wanted to try something, it was okay to try it for a year or two, but if we weren't getting those kinds of results, we would try to work with them to

improve upon that plan. So that we didn't get stuck in saying that we embrace this, and we would be foolish or it would be a mistake if we don't change and get off of that.

So what we tried to do with using the school-based budgets, we also held our central office to the same concept. You know, our school-based budgets probably provide \$105,000 -- \$105 million of our budget into the schools to spend. The remaining part of our budget -- about \$18 million -- is early childhood, and the balance is central office expenses.

We've held central office to the same type of criteria as school-based budgets. So central office isn't that place up on a pedestal where all the money goes, and it's doled out. Central office has to operate under the same concept as school-based budgeting.

So we have a very good accounting and tracking of our salaries, of our benefits. We've worked hard to train all of our school personnel in budgeting concepts, in purchasing concepts. We tried to get more into collaborative purchasing.

What we have done in the last several years, is we've been able to reduce our nonsalaried costs, in a concerted effort, between 5 and 10 percent each year. We are getting to that point where you can't go any further, but we feel that it's been an educational process for all of our educational administrators and our administrative teams. It's been a process that we've brought into the community.

We deal with 31 early childhood community providers. We, at central office, provide a budgetary training with them, also, so we're able to keep our early childhood tuitions to a very economic rate -- one of the lower of the Abbots in the State.

So it's been a collaborative effort. It's been an effort that has probably been enhanced by the fact that our administrative team-- We meet as a strategic planning team once a month. We meet with our school administrators-- Each member of the Strategic Planning Team, which is the Superintendent, central office, or maybe his cabinet or something like that - - we also meet with our School Administrative Teams. So there is a cross articulation, and we try to keep everyone on the same message. We develop our goal, our blueprint, and we try to follow that in all of our conversations and all of our efforts.

Schools certainly have an opportunity to suggest change, bring about change, but we want to see data that is going to support those decisions that they would make.

ASSEMBLYMAN CONAWAY: Thank you for the answer.

You mentioned, as one of the initiatives and best practices, quality professional development, and I wanted you to put some clothes on that for me.

I know that you felt rushed in your presentation, but I found myself -- well, that's why we have a question period.

And that is, how are you doing that? Are you funding that? Are you using consultants, universities, whatever, to help with this? Is it-- How are you getting this done?

Because it's one of those things that, you know, we're approached about in government to fund this kind of a thing, and I'm just curious how you've managed it there.

MR. SANGER: All of the above, sir.

The fact that we work very closely with our instructional staff, we survey the staff as per their needs and the instructional process. We work--

We have something -- what we call *classroom observation walk-throughs*, which is the initial stage of the evaluation process -- where our administrative teams and supervisors do have walk-throughs or observations of classrooms, which is done more in an informal way, where we can look at the delivery of curriculum and the strategies that are being employed within the class. And talk with the-- And have a dialogue and articulation with the classroom teachers to address what needs they may have in the instructional process.

The other being that, yes, we do at times work with consultants who might come in and provide professional development for us. We like to do things more in a collegial way. Realize that we feel we have much talent within Union City, and we try to utilize our internal staff and people who have an expertise in certain areas, in order to provide -- in order to provide that training.

So we do it in multiple ways, but it was also funded under the No Child Left Behind Act, and the NCLB is very much -- you know, become a part of this process.

ASSEMBLYMAN CONAWAY: You raised a very good question about Federal funding and coming in to help.

One of the things, I think, this government is going to have to think about -- is how we can, perhaps, capitalize on the Federal funding that is available to take some of the pressure off what we need to do in Core Curriculum Content Standards.

The-- Oh, Lord. You know, it's--

SENATOR ADLER: We're all getting old.

ASSEMBLYMAN CONAWAY: I didn't take my pills today.

(laughter)

The testing: Now, you-- I'm a big believer in that you have to -
- as I've read about this, it seems to me that one of the themes is that high-
performing districts assess, they look at research, they apply data to the
educational product. And I see that you're doing a lot of testing, it seems.

Could you comment on the testing regime there? How you use
those tests, and how it's accepted in the community, please?

MR. SANGER: Well, what we do is-- We do get the results of
our testing, and what we do is, we assess and evaluate the results of the
testing for each and every one of our students.

We examine, for each and every one of the students, the
clusters of skills -- basically clusters of skills that students-- And how they
fared in the test; were they proficient, advanced proficient, or not being
proficient?

And the fact that we're able to then develop a program for
those students, and place them in classes or in groups where -- based on
their proficiency, where we can give them the services at the level that is
needed to allow them to forge ahead.

So we do this for each and every one of our students -- and
regardless if it's a general education student, a bilingual student, or a special
needs student, we assess them as far as the results of testing, and then we
set up a program for continuity of instruction for them to get them to the
level of sound achievement.

ASSEMBLYMAN CONAWAY: And lastly, I'm curious about this question of how you have integrated the community in the process there.

One of my, I'm afraid, disappointments, was that we weren't able to get the business community behind making changes in law that might support parents getting into schools. And the research I've been reading has suggested that this community collaboration -- getting parents involved in the educational process -- leads to higher test scores, better outcomes, more kids going to college. And one of the things-- And making sure that happens on a statewide basis would be great for our children and for their future success.

What are you doing there that might be unique or that might be instructive as regards this question of involving the community in the educational process?

MR. SANGER: Well, what we do in each and every one of our programs -- it is essential that we have parental involvement and community involvement.

With our parents, we include them as part of our School Leadership Council. We include them in some of our Administrative Team meetings, and of course, our PTAs and associations of that nature.

But most of all, we have something in our school system called an NTI system, where we call -- an automated system -- where we call each and every parent on a regular basis, which alerts them -- some 11,000 parents within a 10-minute period-- And each and every school can alert parents as to happenings within the school, the importance of them being there.

We work very closely with the parent liaisons I alluded to before -- that the parent liaisons involve parents in all our activities, in everything we do. So, we have multiple ways of getting parents involved, alerting them-- Most-- First and foremost, that they can be sure that their voice, that their opinion, that their influence, and their involvement is very important in the process; that they feel that they are part of that.

And one way we do that -- Mr. Dragona had just reminded me - - we have a Family Math Program in our community, where parents and our third and fourth grades -- they drop their students off in the morning, and then they're able to go to classes themselves on the basic fundamentals of math and things of that nature, and where we can educate the parents, as well.

So, we're doing things along those lines to be sure that parents are involved in the process.

ASSEMBLYMAN CONAWAY: Great. Thank you very much.

Other questions from members of the Committee?

SENATOR CARDINALE: Mr. Chairman?

ASSEMBLYMAN CONAWAY: Senator Cardinale.

SENATOR CARDINALE: I'd just like to indicate that *The Star-Ledger* tells us that 9 percent of the monies spent by the school system - - not 20, not 25 -- is the local contribution. So that it is a 9 to 1 ratio, maybe a little bit better than that.

ASSEMBLYMAN CONAWAY: Very good.

Thank you, Mr. Sanger, for your testimony. It's very much appreciated; and the comments from the good Mayor.

Thank you, again, and we appreciate you taking the time to enlighten us here today.

Next, we're going to bring forward Dr. Robert Previti -- no relation to our esteemed colleague, Assemblywoman Previte -- who is the Superintendent of the Brigantine School District.

And I see that we have with us Assemblyman Blee, who has accompanied you here today, who -- for the benefit of the Committee and for the public.

Dr. Previti, please.

R O B E R T A . P R E V I T I Ed.D.: Good afternoon, to the members of the Committee. I thank you for having me before this Committee to talk about the best practices in the Brigantine Public Schools.

Just a note on myself: I'm an educator in the public schools of New Jersey for the last 30 years; 20 years as an administrator, 13 of which are in the Brigantine schools as a principal, the last 10 of which I was the Superintendent.

Prior to that, I was an urban educator in Atlantic City, as a teacher, guidance counselor, vice principal, and assistant superintendent.

A bit of a profile of the District of Brigantine: We are a CD district factor school district, which is of K-8 configuration. We are a Type I district with an appointed board, as well.

We send our secondary students to Atlantic City High School. Primarily, my parents are comprised of working-class population, primarily employed by the casinos in the adjacent city of Atlantic City. Over 50 percent of our parents work all shifts and need a school operational from

7:00 a.m. to 6:30 p.m. each day, and to have numerous programs throughout the year.

We service a diverse population of students. Presently, we're at 70 percent white, 8 percent black, 13 percent Hispanic, and 9 percent Asian. Of the population of the District of Brigantine, 45 percent of the students meet the Federal guideline and description of economically disadvantaged; therefore, they're either Title I, LEP, or eligible for free and reduced lunch.

The mobility rate, as it relates to the report card, is 16 to 19 percent. The actual mobility rate, looking at Brigantine if you were allowed to aggregate the summer months -- since we are a May-to-May seasonal rental -- is anywhere from 40 to 45 percent.

As you can read, through all that we just described (indicating PowerPoint presentation), that Brigantine is one of the most award-winning school districts in the State of New Jersey.

We're a NAEYC certified early childhood program -- which only 10 percent of the schools in the nation are NAEYC certified. We've been profiled as presenters to the national convention in Chicago, for Horizon Blue Cross and Blue Shield, for our nutrition or anti-obesity programs.

We've been spotlighted at the national educational computer conferences in San Antonio, the New Jersey education conferences for the arts, the New Jersey Association of Educational Technologists, as well as the professional development conferences throughout Atlantic County.

We've been profiled on the New Jersey Network *Classroom Close-up*, and the money we garner for the efforts and the awards that we win, we put right back into remediation programs for our students.

We are presently a nominee by the State of New Jersey for the U.S. Department of Education Blue Ribbon School. We are a Governor's School of Excellence Award, two New Jersey Star Schools -- both unanimously during the 2002 school year -- as well as six New Jersey Best Practices--

Last year, we won the Ernest Boyer Best Practice Award, of which 10 site visitations were made by the committee; and one was awarded. We are the only school awarded in the Northeast region. And, on a number of occasion, we've been awarded the Kindest School in New Jersey and the Kindest Principal, but certainly not the kindest superintendent. (laughter)

Which leads me to the district's strengths and our academic profile. The philosophy of the district is to teach children for their future and not for our past.

We build programs developed along the lines of the Multiple Intelligences theory proposed by Howard Gardner out of Harvard University. So we try to stay away from a single-dimensional, linguistic model, mathematical-based core curriculum program.

The theory allows us to prescriptively develop programs that are for musical, interpersonal, spatial, linguistic, mathematical, and kinesthetic intelligence. So we can prescribe programs for each and every one of our children, and we develop the curriculum based on that.

In our attempts to meet these challenges, we tried to implement-- I'll take that back in a second. (speaking to other person)

We tried to implement the theory of what's called exponentialism as it relates to technology. We consider our school to be a technological cutting-edge school district. We do not perceive technology as a tool. We perceive technology as an extension of self. It's a very different kind of philosophy when you're educating children.

That is why we teach, in an elementary and middle school environment, TV broadcasting, public broadcasting, videography, video editing, SMARTboard integrated lessons across the grade levels and through the content areas, Web design, musical synthesizers -- in addition to what we consider a very academic Core Curriculum Content.

In addition, through an in-kind donation -- we couldn't afford to do this -- of 30 spinning cycles, we actually have an aerobic-based program for our elementary, our middle school, and our faculty alike. All of our phys-ed teachers are spin cyclist specialists and certified in doing so, and we try to integrate within the school system not only an academic profile, but one in the effective and the cognitive domains, as well.

Our support for our testing: We offer before- and after-school programs. I heard in a previous presentation they offer Saturday extended program, as well. We have been doing that for six years. Our students in the eighth grade have given up their Saturdays in January, February, and March in order to prepare for the GEPA test in eighth grade. Over 90 percent of our students gladly give up their weekends to do that.

We have anywhere from 50 to 100 children who attend before-school and after-school programs for remediation in order for them to do the best they can on the State standard tests.

Our mission is a demonstration in our test performance. I use a 2005 fourth-grade profile summary, which is in your packet, which I will just highlight on a bar-graph comparison -- (indicating PowerPoint presentation) -- to show Brigantine's scores in comparison to the State averages.

In Language Arts Literacy, economically disadvantaged students -- 83 percent of the students passed, which is 16.8 percent better than the State average. Our black students, 90 percent passed, which is 25 percent better. The white students at 90 percent, which is 1.8 percent. Hispanic is 16 percent better. The Asians, at 100 percent, are 7.9 percent better. The special education is 19.5; the LEP students, at 90 percent on the State test, are 44 percent better.

In the same cohort evaluation, based on their mathematics performance, the economically disadvantaged are 15 percent better than the State average, blacks are 21 percent, whites 2 percent, Hispanics 16 percent, Asians 7 percent, special education at 95.4 percent of the kids passing the minimum level proficiency are 40 percent, and the LEP at 89.7 percent are 38.5 percent.

These scores are, of course, well above the State trends and well above all the national averages. The profile is exemplary, I think, by any measure, based on the economically disadvantaged student population that we have in Brigantine.

On the reverse side of the equation, I'm going to show you another bar graph that demonstrates the revenue comparisons as it relates to Brigantine's annual budget. (indicating PowerPoint presentation)

As you can see in the bar graph -- Brigantine in blue and the State revenue support for our budget in yellow -- Brigantine's local share in State aid-supported revenue is along the lines of a 75 percent local and 20 percent State revenue share, which is the State average for-- I have three contiguous years of 2003, 2004, 2005 present on the chart. The State average is 42 percent, 40 percent, and 41 percent. Brigantine's State aid is 19 percent, 20 percent, and 19 percent.

Based on the property valuation and median income, as it relates to the CEIFA formula, Brigantine receives no curricular aid, no parity aid, no stabilization aid. Due to the property valuation, our multiplier is -- and probably always will be -- zero. Zero times anything, as you know -- I don't have to conclude the rest of that story.

The comparative cost per pupil chart (indicating PowerPoint presentation) demonstrates Brigantine maintains a comparative cost below the State average. This is the comparative chart; once again, Brigantine in blue and the State averages in yellow.

This includes-- This is the total comparative cost per pupil, so this includes the tuition-based number that-- We send our students to a secondary school, which is Atlantic City public school, which is \$1 out of every \$4 of the Brigantine budget; 25 percent of our entire annual budget goes to tuition for our secondary students.

On average, Brigantine's cost per pupil is \$9306, which is \$2340 below the State average. And if you follow the two other charts for

2004 and 2005, you will see that we were at \$10,600, \$11,276, which is \$1545 and \$1291, respectively, below the State average.

The other categorical samples, in your report on page 9 of your table -- which is not part of my demonstration, it's just the bulleted highlight -- will show, except for the general supplies which goes to our classroom teachers, which we support -- you know, from A through Z -- demonstrate that we operate below the State average while performing significantly above.

So, as you can realize, Brigantine's test scores do not mirror the national or State profiles. We do it below the State average cost per pupil, and with below the State average revenue support, as well.

Key points to recap about the Brigantine Public Schools: we are efficiency in staff. Efficiency means we have duplicity in staff members, duplicity in services. And I think that's because we're a small district. I'm able to personally interview everyone who applies to the Brigantine Public Schools and pick the roundest pegs for the roundest holes.

To give you an example of that: Our buildings and grounds supervisor we sent away to be an infrastructure solution specialist. We brought in the five big companies to take a look at infrastructure specialties, took the information that they had, and built our own.

We have been, for the last seven years, a gigabyte speed Ethernet, the three conswitch system, down to the desktop, which was the state-of-the-art system for infrastructure solutions seven years ago and still is. We built it ourselves probably at a cost savings of \$400,000.

When I had an opportunity to hire a night-time supervisor for buildings and grounds, I hired an HVAC specialist. That person not only

supervises my staff, but he fixes all of our heating and air conditioning, at a cost savings of approximately \$80,000 to \$90,000 a year.

His assistant I found to be a proficient painter. He was a professional painter. I hired him. He painted the entire elementary and middle schools -- 250,000 square feet in three color combinations -- for the cost of the paint, which was \$5,500. If you were to go and cost that out for yourself, just go cost out painting three rooms in your house; you couldn't do it for that amount of money.

So when you're small, you have an opportunity to take a look at your staff for duplicity and for multiple services that they render to you. In addition to, as I stated, our buildings and grounds overall supervisor not only does his duties there, he does all our technical support. So when we do a shared-service agreement, which we have with one other school district, for technical support that we can't do in-house, we pretty much do it ourselves.

We have a dedicated faculty and administrators that are supported by, I believe, the best board of education in the State of New Jersey. As I stated, we are a Type 1 district, and whatever I ask them to do before school, after school, for remediation services to help the kids, they do it.

The parent base in Brigantine: Though I only have 1,000 kids, I have 400 parents volunteers to come into school at any given point in time. We run a program called -- that culminates in an art night. Arts Night is a demonstration of 5,000 pieces of work in the culmination of this musical intelligence theory. And 2,000 people will come to Brigantine and walk through its schools' hallways, and just are amazed at the production

that they get. And we couldn't do it alone. We couldn't do it through our staff, but we do it through our parents, because we try to make the school the hub of the wheel.

We are the center of the community. We have a community education and recreation program that is built right into the facility. We offer anywhere from 17 to 25 educational programs for the parents in the community, and they utilize it. They utilize the skills that we have for our staff, and they utilize the services and the facility.

In addition to the small district size I already related to you, the ability to respond to all students -- I heard in a previous presentation -- we do something very similar. We are big in test data analysis, the statistical support. We develop individual prescriptive programs based on the individual performance of each child, based on the previous year, if they're not a transient student.

During the beginning of the year, we actually develop an individual profile for that child in language arts literacy, as well as mathematics. We build that into the software programs prescriptive for that child, as well as all the support services we get for that child.

In order for Brigantine-- If we didn't have this effort, I'm going to bet -- based on our profile of students -- and they work hard -- we would probably be in the 50th to 60th percentile of performance. It is all work. It isn't my work. It's the work of my staff. I am always showcasing them, because I'm thrilled with the performance they have.

Prior to us losing enrollment-- We've actually gone now from staff of 181 staff to 151, of which only, now, I have 94 certified people.

And it's because I have to control costs in the best way I can, and we've been in reduction in force ever since.

So, you know, before you ask the question of how do I control costs -- I control costs by not eliminating programs, by not eliminating extracurricular programs and activities-- We are one of the only, I think, middle schools in the State, maybe in the Northeast region, that even has a crew program.

A number of our kids that -- go to secondary schools of the prep -- Atlantic City and Holy Spirit -- then go on and receive scholarships for the programs -- that we try to do as extracurricular supports throughout the district.

So, regardless of the trends that are national profiles, it is possible that schools can overcome and close achievement gaps. That we can-- Through no fault of their own, the children bring differences and deficiencies to school.

In a very accountable and academic high standard manner, using the growth model for attainment of goals that emphasize improvement, excellence, and student self-efficacy, you can perform very well with a profile of students who would, you would suggest, based on national trends, should or would perform otherwise.

I once again thank this Committee for having me. I would just like to leave them with a quote from a very famous Italian philosopher named Yogi Berra, (laughter) and his quote was, "If you don't know where you're going, you'll probably end up some place else." (laughter)

And with that, I know that this Committee is dedicated to enacting a funding formula that's fair and equitable for all. I would like to

just make a recommendation that sometimes small isn't so bad. And in the consolidation and regionalization of services, you have to look at the big picture, because school districts such as my own, that perform in an exemplary manner both academically and in the other domains, may get hurt in the process, in getting married to districts that would cause us to regionalize and lose the identity that I am so very proud of.

With that, I know you've had a long day, so I'll entertain any questions that you may have.

ASSEMBLYMAN CONAWAY: Senator Cardinale.

SENATOR CARDINALE: It's actually been a short day.

I want to thank you for pointing out a number of things; one, that educational goals -- high educational goals -- can be achieved while you control costs. You've also talked about the effort that you've put in to controlling those costs.

I served as a school board member in a district even -- it's about the same size, when I was on it, as yours, and it was that cooperative spirit and our smallness of size that enabled us to do, at that time, what you're doing now.

I appreciate very much the effort that it takes to do that, and if we have dedicated people like yourself putting the time in, putting the effort in, putting the direction in, I think we can come up with a better funding formula.

I think you already spoke of this, but I think you sort of glided over it a little bit. What portion of your educational budget is paid for by the taxpayers of Brigantine?

DR. PREVITI: Seventy-five percent.

SENATOR CARDINALE: Seventy-five percent.

Thank you.

ASSEMBLYMAN CONAWAY: Assemblyman Wolfe.

ASSEMBLYMAN WOLFE: Yes.

I'd like to thank you. That was an excellent presentation.

I notice, comparing the best practices school districts we have today, you've got about 1,000 students, Union City has 10,000. I see here that you've received about, almost \$3 million in State aid. Union City received almost \$187,000 -- million. Million, I'm sorry. Million.

So, two different districts: A huge district, a small district; a lot of State aid, very small State aid. What more could the State do to see that other districts are able to compete and be in the category of best practices school? What could be done? What could we recommend?

DR. PREVITI: Well, the best practices will be posted on the Web site. It's all work. It's all effort. It's all standing on the right-hand side of issues for children.

The efforts that are directed towards the best practice initiatives are, based on their very nature-- One of the criteria for best practice, since it is anonymous, the last thing-- Probably the two things that I lost best practices for are my two best practices, because the last thing that they're evaluated for is: are they easily duplicatable? And if the answer to that is, no, then you don't win a best practice. So the six best practices that we do have, and the other best practices that were mentioned, go under that scrutiny as a last question: Are they duplicatable?

And the answer-- If it is a best practice that is awarded by the State of New Jersey, the answer to that is, yes. So someone could read it,

someone could find the matches where they are in their own existing programs, and they could use those practices based on their -- based on their gifts, and based on their staff, and based on the needs of the district.

ASSEMBLYMAN WOLFE: So would you say money is not a factor, or money is a factor?

DR. PREVITI: Money is a factor for everything, but money is not necessarily the primary factor for best practices, certainly as we've shown time and time and time and time again.

ASSEMBLYMAN WOLFE: Thank you.

ASSEMBLYMAN CONAWAY: You mentioned one of the questions that I-- I suggested that I was going to ask this question before now, and that is, what is--

I understand the Department of Education, I guess, runs a program-- I'm trying to identify and highlight districts who are performing according to standards that they're setting.

I guess my concern is, how is the Department driving the dissemination of these best practices out of districts -- high performing districts such as yours? Are they sending letters to folks? Are they having meetings where you're lecturing your colleagues across the State? How is this process of dissemination being done, so that we can--

I think we need, on this Committee, to figure out how to get these best practices out to everybody; that's one of our biggest challenges.

DR. PREVITI: That's a good question, Assemblyman.

There is nothing really formalized throughout the State, other than the Best Practices and Star schools are noted on Web sites.

What we do in Atlantic County -- I'm very fortunate to have some of my colleagues here with me today -- we have very strong ETT Center, as well as the Southern Regional Institute, which is an umbrella for professional development in the County and connects to 70 other districts throughout the State of New Jersey. That creates a sharing scenario for best practices, as well as the things that make exemplary Star schools.

So from a formal perspective, whether you're showcased through the State to profile your district-- There's no formal arrangement to my knowledge, based on Best Practices, Star schools, Governor's Schools of Excellence or U.S. Department of Education Blue Ribbon Schools. But the forums that I am aware of are more local for us and primarily in Atlantic County.

ASSEMBLYMAN CONAWAY: Senator Doria.

SENATOR DORIA: I, too, want to commend you. I think that was an excellent presentation, and I agree with you that money by itself doesn't guarantee a quality education.

One of my first questions relates to class size. In your district, what's the average class size?

DR. PREVITI: Anywhere from 19 to 21.

SENATOR DORIA: So it falls within the general parameters of what's accepted.

DR. PREVITI: It does.

SENATOR DORIA: One of the other things you mentioned that I thought was interesting is that during the months of January, February, and March, your students come on Saturdays to prepare for the GEPA tests.

DR. PREVITI: They do.

SENATOR DORIA: Is that a voluntary program?

DR. PREVITI: It is.

SENATOR DORIA: And do they pay for it, or is it--

DR. PREVITI: No, they don't pay for it.

SENATOR DORIA: And the teachers are paid to work in there?

DR. PREVITI: The teachers are paid, and I usually float that through the award monies that we receive. For the Governor's School award money, we received a stipend, for the Ernest Boyer Award we received a stipend, and I pay the teachers on the Saturday for them to come. And they give up their Saturdays for the hourly stipend, because they're there an hour and a half before the day begins for the preparation, as well as an hour and a half afterwards, so--

SENATOR DORIA: What's your hourly stipend? I'm just interested.

DR. PREVITI: \$27.50 an hour.

SENATOR DORIA: Okay. In my district, it's \$18, so it's much lower.

But when you teach on those Saturdays, are you teaching to the GEPA test? How are those programs? Is it similar to, let's say, an SAT preparation program?

DR. PREVITI: It is similar to that, Senator.

And we'll take an hour for the language arts literacy, an hour for math, and an hour for science. And we try to do it in not so formalized a manner -- to make it a serious remediation effort, but a fun experience for

kids to come, or, you know, on a Saturday, it's pretty hard to get 90 to 100 percent of your student body to come and give up their weekends to do that.

We are fortunate to have SMARTboard integrated classrooms, in which we have very technically proficient people in using technology for whole-class instruction.

We even have a -- there's a-- They're called *actibuttons*. They provide for us an opportunity to let each child engage in a classroom. They're Bluetooth technology, so they're -- it's a radio signal, and you can play GEPA games with kids for the answers. And I can tell whether everyone in this panel voted or they did not.

So we try to incorporate things of that nature that are serious, that are directed to skill arrays and the clusters that are on the test, but that are in a fun format in which kids are learning, and they don't mind to come to the school to do it.

SENATOR DORIA: Obviously, this SMARTboard is very important. How did you--

How were you able to fund the SMARTboard and the use of that technology, because that's all very expensive technology?

DR. PREVITI: It sort of is expensive technology, but you can do a Dell-- You can do a projection unit and a SMARTboard for about \$3,500. If you do two or three a year, and you take it out of such funds as I just mentioned-- The Governor's School Award was a \$25,000 award. You know, you can buy a few SMARTboards with that.

Your technology budget, though-- There's not a technology aide number anymore. You can build anywhere from \$5,000 to \$10,000 into a budget, and use it very expediently.

In addition to-- I've actually done it. I've stopped doing it now, because it was too much work. For me to raise supportive funds, I-- There is a triathlon in Brigantine, and I actually took it on as a school initiative. And I directed the triathlon, which I don't want to do again. (laughter) But it raised me \$20,000 -- \$27,000 in which I could buy baby grand pianos to support our music program, and I could buy SMARTboards to put in our classrooms, because I didn't have the local money to do it.

SENATOR DORIA: How many schools do you actually have?

DR. PREVITI: I have two.

SENATOR DORIA: Two.

DR. PREVITI: I have an elementary school, which is a pre-K - 4 configuration, and a middle school, which is a fifth- to eighth-grade configuration.

SENATOR DORIA: Okay. So two buildings, which makes it a little easier.

DR. PREVITI: We are connected by a common hallway, too, which made the infrastructure solution a lot easier for wiring. But now in a wireless environment, everything we have-- We have four labs, and they are wireless.

SENATOR DORIA: Thank you.

ASSEMBLYMAN CONAWAY: I know, and you comment about--

Somebody is on-- (referring to microphone)

You mentioned the-- Push the button. That knocked my question right out of my head. (referring to microphone)

Oh, that is-- You mentioned that you hired people with dual roles, and as I listened to you-- My question keeps going through my head. How many other people are doing this? Are people doing this Saturday testing? Are folks hiring folks in this way?

I know you had a concern about consolidation; people coming in and changing the things that you might be doing there. But it seems to me that what you're doing there should be exported. And that a merger--

Now, I'm not talking about consolidating your school, but if your school was to be consolidated, it seems to me, leadership counts in education, I think, as much as money. And the kind of leadership you're bringing there that's innovative, that's thinking ahead, that's trying to save money, that's pulling in other resources, that's doing more with less -- controlling costs and the like -- you know, that kind of thing needs to be-- We need to figure out how to do that in a lot of other places, it seems to me.

And so maybe consolidation isn't the worst thing in the world, if it achieves getting leadership, such as what you're offering in Brigantine, to the benefit of other kids across the State.

I guess that was a comment, sorry. (laughter)

I'm sorry. I apologize for that. I broke my own rule. (laughter)

DR. PREVITI: Well, I have three colleagues with me from Atlantic County, and I would suggest, in any way, that they mirror the efforts that I have in trying to remediate, and bringing their kids up to the

challenges that are there as a part of No Child Left Behind and the State test initiatives in the State. I am not unique.

ASSEMBLYMAN CONAWAY: Assemblyman Wolfe.

ASSEMBLYMAN WOLFE: No. I'm-- No thanks.

ASSEMBLYMAN CONAWAY: Oh.

Anybody else? (no response)

With that, we're adjourned.

Thank you.

DR. PREVITI: I thank you.

(MEETING CONCLUDED)