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# *Committee Meeting*

of

## ASSEMBLY EDUCATION COMMITTEE

*“The Committee will receive testimony from members of the public regarding the "School Funding Reform Act of 2008," P.L.2007, c.260, and other matters related to education funding in the State”*

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**LOCATION:** Bergen County Administration Building  
Hackensack, New Jersey

**DATE:** February 1, 2017  
3:00 p.m.

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

Assemblywoman Marlene Caride, Chair  
Assemblyman Troy Singleton, Vice Chair  
Assemblywoman Mila M. Jasey  
Assemblyman Nicholas A. Chiaravalloti  
Assemblywoman Angelica M. Jimenez  
Assemblywoman Patricia Egan Jones  
Assemblywoman Angela V. McKnight  
Assemblyman Robert Auth  
Assemblyman Holly T. Schepisi



### **ALSO PRESENT:**

Kathleen Fazzari  
*Office of Legislative Services  
Committee Aides*

Nicole Brown  
*Assembly Majority  
Committee Aide*

Natalie Ghoul  
*Assembly Republican  
Committee Aide*

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

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MARLENE CARIDE  
*Chairwoman*

TROY SINGLETON  
*Vice-Chairman*

RALPH R. CAPUTO  
MILA M. JASEY  
ANGELICA M. JIMENEZ  
PATRICIA EGAN JONES  
ANGELA V. MCKNIGHT  
ADAM J. TALIAFERRO  
ROBERT AUTH  
DAVID P. RIBLE  
DAVID W. WOLFE



**New Jersey State Legislature**  
**ASSEMBLY EDUCATION COMMITTEE**  
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**COMMITTEE NOTICE**

**TO:** MEMBERS OF THE ASSEMBLY EDUCATION COMMITTEE  
**FROM:** ASSEMBLYWOMAN MARLENE CARIDE, CHAIRWOMAN  
**SUBJECT:** COMMITTEE MEETING - FEBRUARY 1, 2017

*The public may address comments and questions to Kathleen Fazzari, Allen T. Dupree, Committee Aides, or make bill status and scheduling inquiries to Larkin Cugnitti, Secretary, at (609)847-3850, fax (609)984-9808, or e-mail: OLSAideAED@njleg.org. Written and electronic comments, questions and testimony submitted to the committee by the public, as well as recordings and transcripts, if any, of oral testimony, are government records and will be available to the public upon request.*

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**The Assembly Education Committee will meet on Wednesday, February 1, 2017 from 3:00 PM until 7:00 PM in the Bergen County Administration Building, Freeholder Public Meeting Room, 5th Floor, One Bergen County Plaza, Hackensack, New Jersey 07601.**

**The committee will receive testimony from members of the public regarding the "School Funding Reform Act of 2008," P.L.2007, c.260, and other matters related to education funding in the State.**

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

Issued 1/20/17

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**ASSEMBLYWOMAN MARLENE CARIDE (Chair):** Before we begin, I want to thank my colleagues. Many of them came from further south, so I want to thank them for being here. I know last time I didn't get a chance to thank all of you, because when it was time to go, everybody ran out the door. (laughter) So I want to thank you all before we begin.

Just a few, little housekeeping, little rules here. There's about 28, 29 individuals who have signed up to speak. We are eager to hear what you have to say. But we're going to keep it to three minutes, so that we can try to hear from everyone.

The room -- we have it until 7:00 p.m., so we want to maximize the use of the room so we can hear you tell us your thoughts with regards to the funding formula.

About 20 minutes (*sic*) prior to the end of the three minutes, my Aide will put up a sign that says "30 seconds," and that will give you an idea, so you can start wrapping up your ideas before this board.

If you have anything in writing, if you've written anything for us, please feel free to send it to us, or provide it to us. If you can, don't read from it; just summarize it for us. Again, we want to hear your thoughts, we want to hear your ideas. The whole purpose of these hearings is to gather information. We have the school funding formula; we know that it has not been fully funded. We're trying to find ways to accommodate everyone in the state; not just our taxpayers and not just our children, but everybody.

And so your thoughts, your comments will be taken back; they will not be ignored. And we hope to be able to work and try to figure out a way to make it more plausible for everyone in the State of New Jersey.

That being said, we'll do a roll call.

MS. FAZZARI (Committee Aide): Assemblyman Auth.

ASSEMBLYMAN AUTH: Present.

MS. FAZZARI: Assemblywoman McKnight.

ASSEMBLYWOMAN McKNIGHT: Here.

MS. FAZZARI: Assemblywoman Jones.

ASSEMBLYWOMAN JONES: Here.

MS. FAZZARI: Assemblyman Chiaravalloti.

ASSEMBLYMAN CHIARAVALLOTI: Here.

MS. FAZZARI: Assemblywoman Jasey.

ASSEMBLYWOMAN JASEY: Here.

MS. FAZZARI: Assemblyman Singleton.

**ASSEMBLYMAN TROY SINGLETON (Vice Chair):** Here.

MS. FAZZARI: Assemblywoman Caride.

ASSEMBLYWOMAN CARIDE: Present.

Okay, our first guest -- Sam Crane.

**S A M C R A N E:** I'll face towards the most powerful person in the room: the guy with the 30-second marker. (laughter)

Hi, my name is Sam Crane, and I'm here today representing Pre-K Our Way.

ASSEMBLYWOMAN CARIDE: Sam, if I could just interrupt you for a minute.

I'm sorry; if you could turn your mike on; the one in the middle.

MR. CRANE: I feel a little bit like Fidel, you know?

My name is Sam Crane; I'm here representing Pre-K Our Way. We are a nonprofit, nonpartisan effort in New Jersey that, in the last two years, we've gathered more than 27,000 supporters across the state; 50 advocate organizations -- including, this week, the New Jersey State Chamber of Commerce -- to work with our leadership group, which includes former Governor Florio and former Governor Kean, to expand pre-K in New Jersey.

I know that this Committee is going to hear a lot about financial and tax consequences of the formula. I'm sure you've had a lot of advice on legal and constitutional issues. So I'm not going to talk about either.

What I want to talk about is the reason why a school aid formula exists. It is a statement of our commitment, as a State, to improving education outcomes, equality and quality of our educational system. It says much about what our goals are -- New Jersey goals -- for education.

New Jersey has an existing pre-K system, and it is a uniquely New Jersey success story. There are people coming from around the world and around the country to New Jersey to study our pre-K system. It is that good.

And these programs have been reviewed by a whole lot of outside groups; and I won't take you through all of the statistical reports on the success of pre-K. But the Bill and Melinda Gates Foundation went out looking for the best programs in the country. They identified five. Do you know who number one was? New Jersey. When Norway was looking for a

pre-K expansion, they traveled to New Jersey to learn how to do it right. So we are the envy of the rest of the country.

Now, I want to give you just one quick example, and it is a school district far south from here. It's in Woodbine. And many of you have been down there; I was born and raised down there, so I know where Woodbine is. I will tell you, quickly, that they turned around their school aid system -- their entire school system by introducing pre-K. They are one of the 35 districts that have it now.

And that, ladies and gentlemen, is the problem: 35 districts have it, the rest do not. However, this Legislature and a Governor said, in 2008, that it was time to expand this to 50,000 more children across the state. And frankly, we're still waiting; and we've been waiting all this time. But if we're going to start to look at the formula, if we're going to start to make some decisions about what we're going to fund and not fund, let me suggest that pre-K expansion should be at the center of the discussion of the school aid formula. So we should make that step now.

So let me conclude with two quotes. From Governor Florio, "The investment we make today in our education of our youngest citizens, will yield real results for both our children's and our State's future." Governor Kean, "There are few priority reforms we need to make to improve education in our State. One of the highest priorities should be the availability of quality pre-K programs for this State." I think it's time to take their advice.

Yes, it will cost money; \$550 million. Put it right here in the middle of the table. That -- when you looked at what we spend, both by

State and local resources, is less than 2 percent of what we spend on education. But the return is real.

So let me finish with one factoid. There is a group of folks out there who have been working in law enforcement -- Fight Crime, Invest in Kids. Some of you may have already met some of them, and you will meet more of them in the future. They estimate, in New Jersey, that pre-K -- which is what they're pushing as one of the solutions to our incarceration problem -- could reduce out-year costs of crime by \$1.2 billion. That's not my number; that's not some fantasy number. That is by the law enforcement.

So ladies and gentlemen, as you consider changes to the formula, as you consider potentially adding money to the formula, we would ask that you look to expand pre-K and begin a five-year phase-in of pre-K; 50,000 New Jersey students have been waiting every year since 2008. It's time to start the process of funding it.

Thank you very much. And I went over by 30 or 40 seconds; sorry.

ASSEMBLYWOMAN CARIDE: Sam, thank you.

Does anyone have any comments or any questions? (no response)

Sam, thank you very much. I know that you and I have discussed pre-K and the expansion of pre-K. And this is something that's very serious to all of us on this board, and very close and dear to the Speaker's heart. So that is something that we will be looking at as well, to try to fund it.

Thank you so much.

MR. CRANE: Well, thank all of you; thank you very much.

ASSEMBLYWOMAN CARIDE: I will ask everyone that if I mispronounce your name, please don't hold it against me.

Next, we have Sheila Brogan.

**SHEILA M. BROGAN:** I have written--

ASSEMBLYWOMAN CARIDE: Oh great, thank you so much.

MS. BROGAN: Thank you.

ASSEMBLYWOMAN CARIDE: Thank you so much, and welcome.

MS. BROGAN: Thank you.

Good afternoon-- Oops; is it this one? (referring to PA microphone)

Good afternoon. Thank you for coming to Bergen County.

I'm Sheila Brogan, and I'm in my 21st year on the Ridgewood Board of Education. So I've been around for a while.

Ridgewood is a high-performing, K-12 District, and the largest District in Bergen County. How to equitably fund education in New Jersey has been debated for the last 47 years, starting with *Robinson v. Cahill*. So here we are, in 2017, and we continue the discussion of how the State's obligation to fairly fund education in New Jersey will really be done this time; and I'm hoping.

Ridgewood State aid, in the first year of the School Funding Reform Act, was \$3.4 million. This year, our State aid is \$2.6 million. Overall, Ridgewood State aid is down a total of \$8.7 million since the inception of the School Funding Reform Act, and we've had, as you know, a

multiple number of mandates that we've had to fund throughout these years.

In addition, the extraordinary aid, earmarked to help districts with high special education expenses, was to be funded at 75 percent of the cost for the District. Last year, it was 58 percent.

In my written testimony, I have about 12 ideas; and I'll just try to give you the top 7, at this point, mindful of the time.

So I would ask you to consider the State Auditor's 2016 recommendation, and use current enrollment and demographics to adjust the State aid amounts. Talk with districts, like Ridgewood, that operate effectively and efficiently with high student performance outcomes. Understand the true cost of providing students an education that prepares them for college and career.

Discard the School Funding Reform Act census model. The census model has failed to reduce the overall cost for special education, and simply led to a decrease in the State's share of funding special education for our school districts. Our categorical and extraordinary special ed aid equals 12 percent of our actual special education costs. The result is money is being taken from general ed to fund special education.

Eliminate the practice of wealth equalizing the special education categorical aid. Fund special education based on the number of children receiving services and their specific classifications. It's more expensive to educate a child with autism than it is with a child who has just speech impairment; and consider that.

Recognize the fact that as districts improve services for special education students, there will be better student outcomes. So consider

funding collaborative teaching models: ABA training for staff working with autistic, Orton-Gillingham training for teachers working with dyslexic students; just as a start.

And talk with our legislators in Washington and advocate for a return to sensible testing: State assessments at 4th grade, 8th grade, and 11th grade. This would save money.

For 21 years I've watched the State struggle with school funding and how to provide property tax relief to the overburdened citizens of New Jersey. It's time for the State to find a solution and improve our current school funding formula; to stop pitting general education and special education against each other by covering a higher percentage of the costs of special education; and to look to designing and allocating funds for innovation that will make a real difference for all of our students.

Thank you.

ASSEMBLYWOMAN CARIDE: Thank you.

ASSEMBLYMAN SINGLETON: Thank you very much.

I apologize for jumping around on the microphones.

There were a couple of things that you have here that I was wondering if you could elaborate on briefly. And one is a specific question: You talked about looking at special education and recognizing the differences in services that are offered between folks who need different categories of special ed needs.

MS. BROGAN: Yes.

ASSEMBLYMAN SINGLETON: Are you familiar with any state jurisdiction that qualifies -- you mentioned specifically autism and speech impairment. Do you know of any state that has a different

allocation for special education dollars, based on the classification of the individual?

MS. BROGAN: Well, certainly, before the School Funding Reform Act, under CEIFA, we were receiving aid based on the number of students in special education who we had; so there was no census model. And it was based upon classification.

ASSEMBLYMAN SINGLETON: So then--

MS. BROGAN: So under CEIFA--

ASSEMBLYMAN SINGLETON: If you had a child who had autism -- I'm just going to make a number up -- you got \$1,000 in aid towards that child. And if you had a child who had a speech impediment, you may get \$100 in aid towards that. So you would identify how your children are classified, and then there's a dollar figure associated with each child's special education needs?

MS. BROGAN: That is one way you could do it.

ASSEMBLYMAN SINGLETON: No, is that how--

MS. BROGAN: Oh--

ASSEMBLYMAN SINGLETON: Is that how--

MS. BROGAN: --is that how it was done under CEIFA? You know, I don't know exactly. I do know that before the School Funding Reform Act was in effect, we were being -- our aid was based upon the number of students, and it was based upon their classification rate. What those rates were, I do not know.

ASSEMBLYMAN SINGLETON: Okay; thank you very much.

MS. BROGAN: Yes.

ASSEMBLYWOMAN CARIDE: Please.

ASSEMBLYWOMAN SCHEPISI: Hi; good afternoon.

On some of the numbers that you gave -- the \$2.6 million in total received. That is inclusive of this special needs funding as well, correct?

MS. BROGAN: That is.

ASSEMBLYWOMAN SCHEPISI: Okay.

MS. BROGAN: Because we are -- what would be the old J districts; you know, an affluent district -- most of our State aid was in special education, categorical aid. And we receive a little bit for security, and we receive a little bit-- We don't receive transportation. So it's really -- the bulk of it is in special ed.

ASSEMBLYWOMAN SCHEPISI: And so you have a full pre-K program in Ridgewood, or no?

MS. BROGAN: No. We have a pre-K program for special education students, but not for our general ed.

ASSEMBLYWOMAN SCHEPISI: Do you have busing and transportation for the students included in this?

MS. BROGAN: We get no funding for transportation.

ASSEMBLYWOMAN SCHEPISI: Do you know approximately how many children, in total, are in the School District; or per-pupil, how much funding you're currently getting?

MS. BROGAN: We don't get a per-pupil funding. We have 5,754 students or so; yes, close to that.

ASSEMBLYWOMAN SCHEPISI: How many special needs?

MS. BROGAN: There are around 950 classified students.

ASSEMBLYWOMAN SCHEPISI: So for the 950 classified students with almost 6,000 students in total, you just receive the \$2.6 million?

MS. BROGAN: Yes.

ASSEMBLYWOMAN SCHEPISI: Okay; thank you.

ASSEMBLYWOMAN CARIDE: Are we good?

ASSEMBLYWOMAN SCHEPISI: Yes, thanks.

ASSEMBLYWOMAN CARIDE: Anyone else? (no response)

Sheila, thank you so much. I do have to say that I have personal experience with Ridgewood's education system. I did my student teaching there, many years ago--

MS. BROGAN: Oh, how wonderful.

ASSEMBLYWOMAN CARIDE: --and I was fascinated with the system there.

So thank you for taking the time to come before us.

MS. BROGAN: Thank you.

ASSEMBLYWOMAN CARIDE: Thank you.

Next, we have James Albro.

Good afternoon, and welcome.

**J A M E S J. A L B R O:** Good afternoon.

I actually wasn't going to speak today; I had put my name in just to offer written testimony. But if you would like me to speak, I'd be happy to do that.

ASSEMBLYWOMAN CARIDE: Please; you're here.

MR. ALBRO: Okay.

My name is James Albro; I'm the Superintendent of Schools for the Wallington Public School District. It's a small town -- for those who are not familiar with it -- in southern Bergen County; a very small town; one-square-mile town in southern Bergen County.

May I continue?

ASSEMBLYWOMAN CARIDE: Please; I'm sorry.

MR. ALBRO: Okay; that's okay. I wasn't sure if I was allowed to speak or not, because I didn't register for that.

What I'm here to talk to you about -- I know what you're doing is very important, as a Committee. I know -- I'm aware that the Education Subcommittee (*sic*) is not responsible for the appropriation of tax dollars. But they do have a say in what individual districts need, and they do share that information with the appropriate committee, so that the appropriations can be what they need to be.

We hear a lot in the news, and we know a lot about the School Funding Reform Act -- how it has benefited; if it is fully funded, how it would benefit our districts. I just want to tell you a little bit about Wallington, and maybe that will give you a little bit of insight about districts like us, that share some of the same qualities that we have, and face some of the same challenges that we have.

Wallington is a traditionally underfunded District. For a number of years, when we went to the voters for our budgets -- I don't know exactly how many years -- but at least 30 out of 40 years, our budgets were failed by the voters. And that's due to a variety of reasons, most notably the makeup of our community with a lot of resident aliens who are not necessarily citizens of the United States, but are living and working

legally within the United States; but nonetheless, not eligible to vote. It's been traditionally a problem for Wallington to pass budgets. So as you can see, over a number of years, that would -- of reductions in budgetary funding from the community, you can see how that would affect our overall budget.

Now that we do not go to the taxpayers anymore for a separate budget vote, we are traditionally, like most other districts in New Jersey -- where we fall in the 2 percent cap, and we do not go directly to the voters anymore. Wallington has been classified as what they call an *Abbott rim district*. And generally what that means -- what I've been told, because it predates me as Superintendent -- it's due to our proximity to former Abbott districts in Passaic and Garfield. We border both communities; we share a lot of the same District Factor Grouping characteristics: our low social economic status; our number of free and reduced lunch students being around 35 percent of our total school population -- gives you a general idea of where we are in relationship to our neighbors.

Being designated an Abbott rim district, does not give us anything different than a regular operation district. Yes, we don't get any of the same funding or the same appropriations that an Abbot school district would have gotten, and we just are lumped in with all the regular operating districts. So my point in bringing this to your attention is that there are a number of districts -- similar to Wallington in the State of New Jersey, and certainly in Bergen County -- that find themselves in a difficult position when it comes to school funding. We're facility-poor; it's very difficult, as you know, in all districts, with a 2 percent cap on spending, to have any kind of new construction. We also have students out-of-district,

because we don't have facilities to keep them in-district -- special needs students -- at a high percentage, because we don't have any place to put them within our District, which is an added cost to our District as well.

What I'm speaking to you about is something not unique to Wallington; it's becoming more and more the reality in districts all over Bergen County and, I'm sure, all over the state.

So that's what I wanted to talk to you about today. I know when you do speak to Appropriations Committee members, and you're talking about school funding, I just want you to remember districts like Wallington, that maybe have some unique circumstances and might need some other consideration.

ASSEMBLYWOMAN CARIDE: Thank you so much.

MR. ALBRO: Thank you.

ASSEMBLYWOMAN CARIDE: Anybody have any comments?

ASSEMBLYMAN AUTH: Just a question.

Thank you for your testimony.

MR. ALBRO: My pleasure.

ASSEMBLYMAN AUTH: Could you tell me the amount of students that are in your system right now?

MR. ALBRO: We have approximately 1,330 students, K to 12.

ASSEMBLYMAN AUTH: And State aid, per-pupil -- do you know, offhand?

MR. ALBRO: Off the top of my head, I couldn't venture how much per-pupil, no.

ASSEMBLYMAN AUTH: So the Governor has a plan that would offer \$6,600 per-pupil. Would it be an enhancement to your budget if it that plan were to take place?

MR. ALBRO: From what I understand, this is not a school funding plan; it's a tax reduction plan that would not increase our budget in any way, if we were to receive flat-funding, based on our per-pupil -- whatever the Governor wants to give us; \$6,000, or whatever it was. This would just offset the property taxes in town, which would be great; don't get me wrong. We would want to see that as well. But I don't know that that's going to increase any money coming into my school budget. I think it's just replacing the source of the money from the local taxpayers share to the State of New Jersey share.

ASSEMBLYMAN AUTH: But if that were the case, then the possibilities of your -- the residents of Wallington to want to vote on a budget that you presented, that would make some enhancements to the facilities in the School District, might be enhanced also.

MR. ALBRO: You mean, like, via referendum?

ASSEMBLYMAN AUTH: Yes.

MR. ALBRO: Quite possibly, because their local tax share would go down, so that could conceivably happen.

ASSEMBLYMAN AUTH: Thank you.

MR. ALBRO: You're welcome.

ASSEMBLYMAN AUTH: Thank You, Chair.

ASSEMBLYWOMAN CARIDE: Anyone else? Any comments?

ASSEMBLYWOMAN JASEY: Just a comment.

ASSEMBLYWOMAN CARIDE: Please.

ASSEMBLYWOMAN JASEY: I think we have a defective--  
Ah, there it goes.

ASSEMBLYWOMAN CARIDE: There you go; it works.

ASSEMBLYWOMAN JASEY: Thank you for coming, and  
thank you for your testimony.

MR. ALBRO: My pleasure.

ASSEMBLYWOMAN JASEY: And especially for raising the  
issue of the Abbot rim districts. I have some of those in my District and,  
unfortunately, the original intention of identifying the Abbott rim Districts  
was to try to recognize the changing and challenging demographics of those  
districts so that more aid could be sent to them. But it didn't happen.

So yes, some people might be under the impression that you're  
getting extra money because you're an Abbott rim; when, in fact, you're  
not.

I appreciate your putting a face to that problem, and to the fact  
that it exists throughout the state, not just in particular areas. And I  
understand the problem with, also the underfunding -- chronic  
underfunding, because it leads to facilities that are in very poor repair and it  
is going to be even more expensive to bring up.

MR. ALBRO: If I may --

What it really does is -- it really inhibits your ability grow as a  
district. And where I see -- with all due respect to people who have come  
before me -- but the Ridgewoods and the Northern Bergen County districts  
have a lot more ability to grow because they're starting from a greater area  
than we are in Wallington. We were traditionally undefended as it was.

And the School Funding Reform Act came in and did not help us any bit because it was not fully funded for anyone; not just for Wallington, but Wallington, certainly and it has really inhibited our ability to grow.

ASSEMBLYWOMAN CARIDE: Assemblyman.

ASSEMBLYMAN CHIARAVALLOTI: Yes, I just want to continue on Assemblywoman's comment.

I appreciate you raising the rim district. Obviously, being from the 31st, representing former Abbot districts and, I guess, a now-former rim district-- Because although rim districts have all the socio-economic challenges and demographic challenges that a former Abbot district does, it receives none of the funding whatsoever, and are probably the biggest losers under the formula.

I do think, though, to Assemblyman Auth's question -- there are two different issues here, and I think you touched on them. And I just want to sort of extrapolate a little.

MR. ALBRO: Sure.

ASSEMBLYMAN CHIARAVALLOTI: What the Governor is proposing is a really a tax stabilization program. What you're talking about is -- you need more per-pupil dollars to run your District effectively. Can you just talk about that little bit more?

MR. ALBRO: Sure.

Being traditionally underfunded, you know, the cost for education in Wallington is the same, essentially, as the cost of education anywhere in Bergen County. We're held to the same standard by our County Departments of Education; we all have to adhere to the same QSAC mandates so that we can provide a thorough and efficient education

to our students, and that we can document that. And all of these cost money.

So when you're starting from a lower point, as far as budgetary funding, and you have a 2 percent cap, you don't have the ability to grow and you don't have the ability to offer to your students the education that they need in the same way that others can.

Can it ever be totally equal? I don't think so. But being equal doesn't mean the same for everyone; it means being equivalent and giving to those what they need.

Wallington is in need of greater funding. We don't have a pre-K program and, under a 2 percent cap, it will be absolutely impossible for me to create a pre-K program in my District; and I need one. But I would not be able to do that unless I took that money from some other area of my budget, which is already underfunded.

So I don't know if that helps at all.

ASSEMBLYMAN CHIARAVALLOTI: No, I think it does help. And I think one of the things -- and I appreciate the Chairwoman allowing me to sit in -- I think one of the things that our conversations try to focus in on is that we're not going to reach equality, but we need to strive for fairness. And right now, the system is unfair.

MR. ALBRO: Another consideration, perhaps-- I mean, Wallington -- and there are some other districts that are gaining population. We have had over 10 percent population growth in the last three years; over 10 percent. That's extraordinary for a 1,300-student district. And we have had no significant increase to State funding besides what everyone gets. So we have had to find that money in our existing budget for the last two

years, since we've had that population increase, at the expense of other areas of our budget. We're receiving no help. Not just us; other districts as well.

ASSEMBLYWOMAN CARIDE: Assemblywoman.

ASSEMBLYWOMAN JIMENEZ: Thank you so much, Chairwoman; this is great. This is a good discussion that we're having that needs to be had in this whole state.

You know, coming from-- I represent the 32nd, which is an Abbott.

MR. ALBRO: I'm aware.

ASSEMBLYWOMAN JIMENEZ: Some of my cities, some of my towns are Abbott; not all of them, though. I do have some numbers here. I don't know if the Governor's answer to his funding is a fair one, considering that, according to some of the data that I have, New Jersey school districts spend an average of \$19,652 per student -- and this is going back to 2013, okay? And I kept reading -- you know, it varies, of course, from town to town. Avalon spent \$63,000 per student, in comparison to East Newark, which spent about \$14,000 per student. We're talking about a very different demographic; we're talking about the amount of kids in that district were very different.

Bergen County schools -- when we talk about special education, okay? -- was one of the most expensive ones, which I was kind of startled about this -- \$95,438 per student they spend here in Bergen County. This is special education, though. You know, this is something that has to be addressed; it is something that is important. And as Mr. Crane was

discussing, pre-K is crucial too. I mean, it all starts there. You pick up any issues that kids have.

Having a daughter myself, who was recently -- she was recently diagnosed-- She has an IEP. It was important for me to learn all about this. My 21-year-old son never had issues. And Assemblywoman Jasey was so instrumental -- as the NJEA was very good with me too -- when I had questions.

But school funding is something that has to be addressed. I had to pull my daughter out of parochial school in Bergen County, to put her in my public school--

MR. ALBRO: To receive the services she needed

ASSEMBLYWOMAN JIMENEZ: --to receive the services that she would-- And you know something? Last year was her first year as a 4th grader, and a girl, she received honors, and I was so lucky, and I felt so blessed, because she was-- She wants to be a teacher.

But this is something that needs to be addressed; it is not fair. I don't know about \$6,000 per child -- if that is the answer -- because it would not be the answer, according to just these numbers, that are old numbers.

So thank you for being here. Thank you for doing this, and we're doing this throughout the state.

MR. ALBRO: Thank you all.

ASSEMBLYWOMAN JIMENEZ: That's about it, for now.

ASSEMBLYWOMAN CARIDE: Assemblywoman.

ASSEMBLYWOMAN SCHEPISI: Just to follow up on some of the questions you've been asked already.

Are you aware of any other pre-K programs in Bergen County that are currently funded, or total pre-K programs? Because I know we have 70 municipalities, and absent, potentially, Garfield, not one of those 70 communities is receiving appropriate State aid. And I know most of the schools that I've interacted with do not have pre-K programs, because they can't afford them within the 2 percent cap, to either build them out, or otherwise.

So I was just wondering, in your experience, in speaking with other Superintendents, if you are aware of any.

MR. ALBRO: A couple of ways to answer that.

I think, one, for districts that I'm thinking of, off the top of my head that may have had pre-K programs prior to the 2 percent cap, it was much easier for them to hold onto their pre-K programs. They didn't have to start them from the beginning because the 2 percent cap did not apply at the time that they created them. Some others are the former Abbot districts that have the pre-K programs.

Other districts that are able to create them -- and I could possibly do that, if I had facility space. A pre-K program can conceivably be run very cost-effectively, depending on the size of your district and the number of students who you would need to provide services for.

But using Wallington as an example -- I have pre-K students who are special needs, so I must send them out of district. I have, probably, about 12 to 15 students right now who I send out of district for pre-K programs, because they are legally entitled to those programs. I must send them out of district; and each student, if I were to average it out, costs me upwards of \$50,000 with tuition, with transportation, and sometimes with

aides or other special needs that they may have in the districts to which I am sending them. That's a huge cut into my budget. I have no way of knowing who is coming; it's early intervention that is done so we can identify students who may have special needs prior to starting elementary school. It's a great program; it's not something that I ever want to see go away, because I've seen it benefit my students greatly. However, it's a great cost to my District, because I can't do it in-house; I have no place to put them.

We're in -- just to use my example again -- you know, our District has two buildings that we own and one that we're renting, currently, because the other building that we vacated was over a hundred years old, at that point, and just couldn't house the number of students that we had. So we essentially took over the Catholic school that had recently closed in town. So we're renting one, and we own the other two buildings -- the other two schools that we have -- the other grammar school, and then the high school.

But I have no room to put these students. We are already in trailers, and I couldn't possibly, with any degree of conscience, start a pre-K program with facilities that I have right now.

ASSEMBLYWOMAN SCHEPISI: And with the population increase that you've had, I'm sure the number of special needs students has increased as well.

MR. ALBRO: Almost by percentage, yes. The same percentage -- my percentage of students has not increased; but obviously, the number has increased, with the 10 percent population increase.

ASSEMBLYWOMAN SCHEPISI: And there have been no adjustments whatsoever.

MR. ALBRO: No; nothing in addition to what we would normally have gotten; no.

ASSEMBLYWOMAN SCHEPISI: Okay; thank you.

MR. ALBRO: You're welcome.

ASSEMBLYWOMAN CARIDE: Superintendent, thank you so much for joining us this afternoon.

MR. ALBRO: You're welcome.

Thank you for having me. I'm surprised I got to speak, but thank you anyway.

ASSEMBLYWOMAN CARIDE: There you go. And it was good; thank you. I appreciate it.

MR. ALBRO: I have written testimony; could I just submit it here?

ASSEMBLYWOMAN CARIDE: Absolutely; thank you.

Next, we'll have Julie Borst, from Save Our Schools.

Welcome, Julie. Good to see you again.

**JULIE BORST:** Thank you. Good to see too.

So obviously I'm very happy everybody's talking about special ed. Yay. (laughter)

ASSEMBLYWOMAN CARIDE: That's right; that's your area of expertise.

MS. BORST: That's my thing; right.

So I want to thank you, obviously, very much for coming to this end of the state, and making me only travel 20 minutes. Normally my travel time is more like two hours.

And, obviously, thank you for making a concerted effort -- all of you -- to engage stakeholders in school funding.

My name is Julie Borst; first and foremost, I am the parent of a daughter with special needs. She is a high school student, a senior this year; so, very exciting.

I'm also a special education parent advocate. For those of you who don't know what that is -- I help parents, for free, figure out what their situations are; and then I pass them along either to paid advocates or to attorneys, if I cannot help them. And unfortunately, that is needed, because along with all of the funding issues that you deal with, special ed parents shell out an incredible amount of money all on their own. And then when you get to legal fees, you're obviously talking about a considerable amount of money, and most people can't afford that.

I am also an organizer and member of Save Our Schools New Jersey, which is a statewide, grassroots parent organization. We are all volunteers. And it is a group that began, actually, over local school funding issues.

But today I am here to talk as a parent, and as Julie Borst, and not as Save Our Schools. You did hear Save Our Schools' testimony on the 17th and 18th of January; I can answer any questions if you have anything lingering from that. But I would like to talk about special education funding today.

So I echo the majority of the testimony that you all heard on January 17 and 18 -- in that, SFRA is a nationwide model for equitable school funding. In and of itself, it is a very fair formula. What's been unfair is that it has not been fully funded, except for the first year. And so what we're seeing, all these years later, is the result of not having money. And you just heard from the Superintendent -- what the effect of that is, over time. You can't fix your buildings, you have increases in student populations -- in some cases like his. Special needs is expensive; I mean, that is simply how that goes.

But I also think that it's also -- it's very important to understand why money is important. So in the testimony that I provided to you, I gave you a link to a report that Bruce Baker did for the Albert Shanker Institute. And he talks about money -- why that's important, how it's used, and why that's important. And how money is spent is really, really important when it comes to special education, because we don't have -- if you're not providing the right services to the children who are in your building at the time, then you're not actually helping those students.

So I just want to talk, very quickly-- So the New Jersey funding formula is census-based, as you heard. And that is not fair to anybody. It's not fair to the Ridgewoods -- and, by the way, I'm a Ridgewood Class of '83; so, yay, Ridgewood -- it's not fair to them because they lose money at the end of the funding formula. They lose -- like where I'm from; I'm from Allendale -- we lost two-thirds of our formula at the end there. So even though we won't have, necessarily, the same percentage of students with disabilities that the formula uses -- which is 14.69 percent -- we lose all the rest of it on that end multiplier.

Then you have places like Paterson and Newark, where they're not going to lose money on that end multiplier, but they're getting clobbered because they're classification rate is 18 percent or higher, which is nowhere near that money. So they're losing out there. And then you have the double whammy of not having the SFRA funded, so the schools themselves are not getting the general education money either; there's no money left over for special ed; and you're not getting the special ed funding that you actually need for your students. Everybody loses.

So please, the takeaway here is -- our kids need the money, and we need to figure out how it is that we're going to get that.

I also want to say that -- to frame this, federally, I think is really important too. So IDEA -- when it was passed, and signed into law in 1975 -- it was only with the intent of funding it at 40 percent, okay? -- 40 percent; nowhere near anywhere full funding, okay? So here's this law; everybody has to abide by it and, frankly, it's a good thing. But that lack of funding has been horrible, and it never, ever reached the 40 percent. It's only ever been funded, at the max, at 17 percent.

So we are talking about loss of funding from all these different places. You still have to provide an education to these children. You also heard testimony from a Superintendent on January 18, and he talked about his students in his district were not getting what they needed because of money. So now you have districts -- you're putting districts in the position where they are potentially in violation of Federal law because they are not providing the education that those children are entitled to.

That's really, really important; really important. And I know that's really hard to weigh here, but please keep that in mind as we go forward with this.

I also want to say that I am -- as a special education parent, I am very used to hearing the grumbling about "Ah, special ed, it's so expensive," right? And I hear that from local Superintendents, I hear that from local Business Administrators, you all heard that from the School Business Administrators Association as well, right? And to that, I say to them, "Show up at these meetings, come ask for the money." I'm in these faces, and I've been in these faces for years now, asking for help. And they're never there. So I don't want to hear anybody say to me, "You know what, Julie? It's so expensive; how can we possibly do it?" And I'm going to go, "Yes, but you know what? You weren't there asking for the money. I'm asking you for the money."

So thank you for your time. And if I may, very quickly -- Assemblyman Singleton. You asked whether or not there are any districts that have some kind of graduated special ed funding. Take a look at Boston. They have 11 categories, and it's based over -- it's based on whatever the base amounts are for students, and then they have multipliers, based on whatever those categories are.

ASSEMBLYMAN SINGLETON: Madam--

ASSEMBLYWOMAN CARIDE: Yes, please.

ASSEMBLYMAN SINGLETON: Thank you for that information.

Let me ask you a question.

MS. BORST: Sure.

ASSEMBLYMAN SINGLETON: As I was listening to the earlier comments -- and I wanted to talk to our learned staff at OLS about this as well -- the Boston example that you referenced -- and I definitely want to research more about what Massachusetts is doing.

MS. BORST: Sure.

ASSEMBLYMAN SINGLETON: How do you avoid this scenario -- and I apologize if it comes off as crass, because I'm not trying to. But I'm just trying to--

MS. BORST: Just put it out there. (laughter)

ASSEMBLYMAN SINGLETON: How do you avoid the scenario of some school districts identifying Troy Singleton, and saying, "You know what? We can get-- If Troy Singleton is Tier I, then he's associated with \$5,000. But if Troy Singleton is, say, Tier III, then he's associated with \$2,500."

MS. BORST: Right.

ASSEMBLYMAN SINGLETON: How do you avoid-- Or how do you make sure that we have legitimacy in that classification? Because as I was learning more about this -- as one of the previous speakers, I believe it was Ms. Brogan -- when she was up here talking about it, I think that is the area -- the crux that we are trying to wrap around and make sure that we have a proper audit and a proper accounting of that.

MS. BORST: Right.

ASSEMBLYMAN SINGLETON: Because I don't ever want to see a child just being used for a dollar figure to get more money, and the district can do it.

MS. BORST: Right.

ASSEMBLYMAN SINGLETON: Is there a way that they do it differently in Massachusetts?

MS. BORST: You mean, how they classify?

ASSEMBLYMAN SINGLETON: How do they do that, so they make sure there's no *gamesmanship*, for lack of a better term?

MS. BORST: You know what? Actually, that's a very good question, and I do not know the answer to that. But I will say that if you take a look at the state of Massachusetts, they are always number one and we're number two; or we're number one, and they're number two.

ASSEMBLYMAN SINGLETON: Sure.

MS. BORST: So they are clearly doing something right.

ASSEMBLYMAN SINGLETON: Right, right.

MS. BORST: I would also turn that question, kind of, around here. So it used to be that the school funding in New Jersey -- special ed funding -- was based on the number of students that you had in the district.

ASSEMBLYMAN SINGLETON: Right.

MS. BORST: I don't know whether or not anybody found out whether there were specific abuses of that, because IDEA is so specific in its requirements and its reporting requirements. I'm not sure how a district could really game that very well. You know, there are checks and balances within IDEA just to make sure that the students are getting what they need. And so if a child has to be tested every three years to make sure they're still, you know, needing the services that they're getting, or perhaps need more, you would be -- it would be caught there. Unless you have a district that's entirely corrupt, and I would hope that there aren't any of those.

ASSEMBLYMAN SINGLETON: The reason why I ask is because-- And thank you for that, because when we were having this discussion -- and again our learned colleagues from OLS, who have a deep understanding of this -- anecdotally, that was actually a concern, when they actually changed it; because we used to do that.

MS. BORST: Right.

ASSEMBLYMAN SINGLETON: Anecdotally, that is what led to that, sort of, shift, so to speak, to this -- I guess this census model, whatever -- the model that we're using now, that is seeming to cause a lot of frustration.

MS. BORST: Yes.

ASSEMBLYMAN SINGLETON: So I want to look more at the Massachusetts thing; I don't want to belabor the point.

But for me-- I would agree with you, that you're right; it is different for someone with a-- My son has a speech impediment.

MS. BORST: Okay.

ASSEMBLYMAN SINGLETON: So my son gets--

MS. BORST: So you have an IEP Speech.

ASSEMBLYMAN SINGLETON: Yes.

MS. BORST: Right.

ASSEMBLYMAN SINGLETON: So he gets speech, like, two or three times a week.

MS. BORST: Right.

ASSEMBLYMAN SINGLETON: So I understand that aspect of it. And obviously, a child with autism, or even more severe disabilities in school--

MS. BORST: Certainly; right.

ASSEMBLYMAN SINGLETON: --has a greater financial need -- to give them a thorough and efficient education.

MS. BORST: Right.

ASSEMBLYMAN SINGLETON: So I want to research this Massachusetts -- Boston piece a little bit more. Because that's where I would be concerned -- just as any of us, I think, would be concerned, as stewards of our State's fiscal dollars--

MS. BORST: Sure.

ASSEMBLYMAN SINGLETON: --that we're not losing sight of that.

But thank you for pointing me in that direction, because we'll definitely take a hard look at that.

MS. BORST: You're very welcome. And I would be very pleased to sit down and talk about that some more.

ASSEMBLYMAN SINGLETON: Thank you.

MS. BORST: Thank you.

ASSEMBLYWOMAN CARIDE: Anyone else?

Assemblywoman McKnight.

ASSEMBLYWOMAN McKNIGHT: Hello.

MS. BORST: Hello.

ASSEMBLYWOMAN McKNIGHT: So we've been talking and hearing about the school formula. So I just have a question.

The 2 percent came after the formula was -- the reform was implemented.

MS. BORST: Right; yes.

ASSEMBLYWOMAN McKNIGHT: My question to you is, what do you-- If we had the formula fully funded, is the 2 percent too low, too much, or just right?

MS. BORST: That's a really difficult question to answer. (laughter) And I don't think that I'm in the position to answer that.

I would say -- in my gut, as a former businesswoman -- okay? -- that if you're going to hold all districts to that 2 percent, to me -- and I'll be a little bit politically incorrect -- to me, that was sort of done on purpose. That's setting everybody up for failure. Because you don't know what's going to happen in the future, right? So as the Superintendent was just saying, you know, he has a 10 percent increase in his students' population. That's a lot, right? And it doesn't allow you to pay for things that you need to pay for. So, you know, you need a new roof, or the theater is falling apart, or whatever -- you need a new set of teachers -- new teachers for whatever. And you can't get that because there's a 2 percent cap.

And you can go beyond that 2 percent, but then you have to put it up for a vote in your population. If you've already taken away the right for those people to vote, who knows what your backlash is going to be there. I mean, there are a lot of things at play there.

And I think you can probably find people with a very deep knowledge of school funding, specifically, who can answer that a lot better than I. But my gut is, is that as soon as you place a cap like that, you're kind of putting everybody back on their heels. And it puts them in a position where you're always going to be defensive, because you can't just say, you know, "We have this really great opportunity to do something; ah, but we can't do it, because we can't possibly raise the 2 percent."

You know, it's just--

ASSEMBLYWOMAN McKNIGHT: Yes, I just posed that question, because we have to look at the cap as well.

MS. BORST: Certainly, yes.

ASSEMBLYWOMAN McKNIGHT: So, thank you.

MS. BORST: So I would be wary of that; but that's my gut, as a parent; I'm speaking from there.

ASSEMBLYWOMAN McKNIGHT: Thank you.

MS. BORST: Thank you.

ASSEMBLYWOMAN CARIDE: Assemblywoman.

ASSEMBLYWOMAN JONES: Thank you, Madam Chair.

And thank you.

MS. BORST: Thank you.

ASSEMBLYWOMAN JONES: I've been pleased to hear you speak to these issues before. And I would appreciate if you would explain that census for special ed again--

MS. BORST: Sure.

ASSEMBLYWOMAN JONES: --which I find troubling, at best.

MS. BORST: The formula takes the total population in a district--

ASSEMBLYWOMAN JONES: In a district.

MS. BORST: --multiplies it by 14.69 percent -- I don't know where that came from; I'm assuming somebody thought that was the State average, okay? All right? And some districts, you know, we've had-- I've seen classification rates as low as 5 percent. To me, that's statistically not

possible, but that's another story. This gets to your, who gets classified, who doesn't. And we know that in some of the larger population districts -- former Abbott districts like Newark and Paterson -- their classifications are way, way, way above that multiplier; they're 18 or 20 percent, like that.

And then it's multiplied by yet another formula, that adjusts for the wealth of the district. So if you're a "J" district, like a Ridgewood or a Northern Highlands -- that kind of thing, right? -- you lose about two-thirds of whatever those first two things multiplied together are, okay? So it cuts way back and it's put on the taxpayers, frankly, to be able to make up that difference. And the reason why this is a problem is that some districts don't have anywhere near that 14.69 percent; but then they get clobbered on the two-thirds going-away part. So you still don't, maybe, have enough money, or money that you should have, to be able to fund those special needs students, okay? And then, of course, for the Newarks and the Patersons, they're not losing that money on that final multiplier; but their classification rate is so much higher than what that middle multiplier is, they don't get that money either.

And then as the Board of Ed member from Ridgeway was also saying, the extraordinary aid -- which was anything over, about, \$40,000 -- districts were supposed to be able to recoup some of that back. And the deal was 75 percent, initially. And it's not being funded anywhere near to that amount. So you're losing on SFRA, you're losing on the special ed formula, and then you're losing on the extraordinary aid on top of that. It is very, very difficult; there's no way around it. It's expensive, but it becomes worse when you're not even funding it.

And then you throw in that 2 percent cap there -- so you can't raise that money. So maybe you do decide to do the right thing, and you really want that Orton-Gillingham teacher. And you want that teacher to be there not only for your special education kid, but that also goes out into the rest of the classroom. It's not like special education is so siloed that what happens there doesn't affect the rest of the district.

When you do that, and you go, "Can't afford that," you can't raise the 2 percent money-- I mean, it just becomes bigger, and bigger, and bigger. And if you multiply that times the number of years that we've been under this, it's that much worse.

I don't think that you can look at this and say, "We're going to make that up." I think you have to draw the line in the sand, frankly, and say, "This is what we're going to do from here, going forward."

ASSEMBLYWOMAN JONES: If the SFRA had been fully funded, as envisioned, and done, I guess, the first year--

MS. BORST: Right.

ASSEMBLYWOMAN JONES: --would it have resolved some of these issues; or would we find that that they were going to be exacerbated anyway?

MS. BORST: For special ed, you mean?

ASSEMBLYWOMAN JONES: Yes.

MS. BORST: You know, in my crystal ball, I will say--  
(laughter)

ASSEMBLYWOMAN JONES: I know; don't we all have one?

MS. BORST: I would say that schools having more money and the ability to use that money for their students makes a difference. And

again, that's why I included the link to Bruce Baker's report, because he talks very specifically about not only just -- is money in general a good thing, but he talks about why. And I think that part of it, as you're considering whatever your recommendations are going to be -- understanding that, I think, is very important.

ASSEMBLYWOMAN JONES: Thank you.

MS. BORST: Thank you.

ASSEMBLYWOMAN CARIDE: Assemblywoman.

ASSEMBLYWOMAN SCHEPISI: Good afternoon.

MS. BORST: Hi.

ASSEMBLYWOMAN SCHEPISI: Being very familiar with Allendale -- my mom's actually from there--

MS. BORST: Oh, yeah? Great.

ASSEMBLYWOMAN SCHEPISI: --but there have been some great programs that the community has done -- building special needs housing, stuff like that.

MS. BORST: Sure, right; adult housing.

ASSEMBLYWOMAN SCHEPISI: Have you seen additional special needs families come into town, or enroll in the schools, to take advantage of any of that stuff?

MS. BORST: No--

ASSEMBLYWOMAN SCHEPISI: No?

MS. BORST: --no, actually, you're referring to the adult housing--

ASSEMBLYWOMAN SCHEPISI: Right.

MS. BORST: --it's actually a United Way program.

ASSEMBLYWOMAN SCHEPISI: Right.

MS. BORST: --which is wonderful, by the way. I mean, I think the community has certainly embraced them. I'm a member of the Allendale Women's Club and, during my time there, we actually created a program where we're interacting with those people.

ASSEMBLYWOMAN SCHEPISI: Right.

MS. BORST: That is a wholly separate thing from what is going on inside--

ASSEMBLYWOMAN SCHEPISI: No, and I'm--

MS. BORST: -- the K-8 school district.

ASSEMBLYWOMAN SCHEPISI: --aware of that.

MS. BORST: But no, people are not moving into Allendale for the special ed; they're actually leaving.

ASSEMBLYWOMAN SCHEPISI: They're leaving because the special ed program isn't--

MS. BORST: Special ed is-- It's been difficult, let's just say. It has not been a friendly district to special ed.

ASSEMBLYWOMAN SCHEPISI: How many special ed kids are there that you're aware of?

MS. BORST: Are currently in K-8? I do not know. As I said, I am out of this now.

ASSEMBLYWOMAN SCHEPISI: Okay.

MS. BORST: My daughter is-- Technically, her home district is Northern Highlands - which is the No. 3 school in the state -- and she is sent out of district to Pascack Hills High School--

ASSEMBLYWOMAN SCHEPISI: Right.

MS. BORST: --which is the No. 7 school in the state. Their Superintendent happens to be my neighbor; his wife is a special ed teacher. I mean, it's all-- Bergen County is very small.

But Northern Highlands chooses to not keep students who require a little extra -- more than a little extra help. They do not keep them in district; they send them out.

ASSEMBLYWOMAN SCHEPISI: And I asked a question -- even just for the education of all of us up here, because I don't think a lot of people understand how little money goes into districts like Allendale--

MS. BORST: Right; it's tiny.

ASSEMBLYWOMAN SCHEPISI: --so it receives a total of \$346,000 for their entire student population--

MS. BORST: Right.

ASSEMBLYWOMAN SCHEPISI: --for everything, including special needs and special needs pre-K.

MS. BORST: Right.

ASSEMBLYWOMAN SCHEPISI: So it's something where--

MS. BORST: And they pay for the pre-K a little bit--

ASSEMBLYWOMAN SCHEPISI: Right.

MS. BORST: --because if your child is not a special needs student, you pay a fee for that. So that's how Allendale actually paid for it. They couldn't afford it, even if you didn't have the special needs children in there.

ASSEMBLYWOMAN SCHEPISI: Right.

MS. BORST: But pre-K, obviously, is something that also has to-- I mean, you know, let's just add it on. Pre-K is, obviously, really, really

important, especially for special ed kids; as is the birth-to-3 program, and that feeds into that pre-K program. So, you know, obviously, those things are very important and life-changing, when they're done correctly and funded well.

ASSEMBLYWOMAN SCHEPISI: Okay.

Thank you.

MS. BORST: Thank you.

ASSEMBLYWOMAN CARIDE: Assemblyman.

ASSEMBLYMAN AUTH: Thank you.

Hi.

MS. BORST: Hello.

ASSEMBLYMAN AUTH: Great to see you again.

MS. BORST: Good to see you again, sir.

ASSEMBLYMAN AUTH: Thank you so much.

Thanks for your testimony. It's also very edifying. Every time I see you, I learn something new.

MS. BORST: Thank you.

ASSEMBLYMAN AUTH: I have a quick question.

You mentioned to my colleague, Assemblywoman Schepisi, that people in Allendale take flight, so to speak, when they have special needs children because it's not working well.

MS. BORST: Right.

ASSEMBLYMAN AUTH: From your experience, do they leave to another state, or do they leave to another geographic location in New Jersey?

MS. BORST: Both.

ASSEMBLYMAN AUTH: Both.

MS. BORST: Yes.

ASSEMBLYMAN AUTH: And where would they go if they were going to leave Allendale, to some other place in New Jersey?

MS. BORST: I know people who have fled to Ridgewood; I know people who have gone to Tenafly; I know people who have gone to Florida, California; I have-- Actually, I can tell you about a very extreme case where the child, who has autism, and his parents were not pleased with how things were going in Allendale, in the pre-K. And they found a program that they liked. They tried to engage other districts around New Jersey, including Allendale, in a discussion about what the district -- that other district was doing; it was Palo Alto, by the way -- and they actually split up the family. So dad stayed here, stayed with his job; and mom moved with the son to Palo Alto. And she's there for 10 months -- for the school year. And it's the way they're choosing to run their programs; and parent involvement, teacher involvement -- it's a very progressive way of addressing it. And her son has blossomed, where he didn't here.

So this becomes part of a much bigger discussion about special education. And I am hoping that Assemblywoman Jasey will do some hearings on special ed, at some point, so we can talk about some of these things.

But as far as funding goes-- Not having the money, even in a wealthy district, is extremely problematic because you cannot create and maintain programs that have to be constantly shifted. You never know what your special ed population is going to look like, so you need administrators who understand special education, and are also agile in being

able to change what their program looks like as their student population is changing. So you can't just say, "We're going to do it this way," and five years later, that's still going to be the right thing in your district.

So it requires a bunch of different thing. But if you don't have the money to even be able to fund any of those things, then it's kind of a non-starter.

ASSEMBLYMAN AUTH: Thank you. You're a wonderful advocate for your children.

MS. BORST: Thank you; thank you so much. I appreciate it.

ASSEMBLYMAN AUTH: You're great; thanks.

ASSEMBLYWOMAN CARIDE: Julie, thank you. As always, I enjoy hearing you speak. And as you know, Ridgefield is one of these towns where people are moving in with their special ed children. So I know how it is, and I know the burden on the school district, when that happens.

So thank you very much.

MS. BORST: Thank you.

ASSEMBLYWOMAN CARIDE: I'm sure I'll see you again.

MS. BORST: Thank you all, again, very much.

ASSEMBLYWOMAN CARIDE: Thank you.

Gerry Thiers. He's been busy today.

Gerry, welcome; and thank you for making it up here. I know you were busy this morning at another hearing. So thank you very much.

**GERARD M. THIERS:** Thank you.

This is also about special education, so I don't want to rehash everything that was already discussed. I do echo the comments of the other speakers.

And our Association, with 150 private schools, speaks on behalf of them; and also, we advocate for families -- all the families that have special education children here in New Jersey.

So we're concerned, too, about the way SFRA works with special education. The law largely uses special ed for wealth equalization; and a large portion -- 67 percent of that -- is adjusted for local purposes.

Sorry; I'll put my specs on here, if I can get them. (laughter)

This only happened recently; I apologize. I'll do it.

What's happening is that the school boards in more affluent communities receive a smaller percentage of the available funds than less wealthy communities receive. The SFRA -- it unfairly discriminates against wealthier communities, which have to provide the same level of support to their students in special education. Moreover, because of the equalization formula, the actual amount of special education aid being distributed has actually gone down, while there has been continued growth of special education costs to deliver appropriate services. So we don't like the way-- Again, we don't think that wealth equalization -- we're not commenting on the worthiness of the concept; but rather, having special ed funds being used for that purpose is the issue.

Second, people talked about the census model; and we also oppose this. We think it's deeply flawed. It's based on a calculation of excess costs -- roughly about \$15,000 per student -- multiplied by an average rate of classification. We think it went up a little bit; I can get you an exact, but it's like 14.8 percent, I think, right now.

Regardless of the actual numbers, every district receives special education aid for 14.8 percent of their total enrollment; with adjustments

for wealth equalization, like we mentioned above. So it's a double whammy, particularly for districts that have, like, a high rate -- a high percentage of special ed students in their district; and then also, perhaps, with wealth equalization, they're not getting the aid, really, that they need.

As noted by the New Jersey Special Ed Task Force, in 2015, it aggravates the *crowding out effect* by pitting special ed student needs against general education student needs. It has also failed to reduce the proportion of classified students in New Jersey districts, which is one of the underlying goals of a census-based formula. It's not only happened here, but Pennsylvania tried it, for example, about 10 years before New Jersey. And it's not working out well there, either, in terms of reducing classification rates or doing anything worthwhile.

In terms of extraordinary costs: You know, there's a modification there where there's extra aid available to districts, based upon -- students who have, like very high tuition rates. There are different funding levels based on the student's placement. So if it's an in-district program, with non-disabled peers, then the funding level is highest; the district can receive up to 90 percent of the cost of direct instruction in excess of \$45,000.

For placements in a publicly operated program, such as a county program -- special services, ed services, jointure commissions -- the sending district can receive up to 75 percent of the cost of direct instruction and support in excess of \$45,000.

For placement in private schools for students with disabilities -- and understand that we're serving public school students, same as the other

programs -- the districts can get up to 75 percent of the full tuition cost, but it's in excess of \$60,000.

Clearly, the formula is not placement-neutral, as required by the Federal Individuals with Disabilities Education Act. Districts that place students in private schools are at a disadvantage. An effective school aid formula should, one, not use special ed aid for wealth equalization purposes. It would be better to go back to the system that you were discussing, of looking at the numbers of kids -- the head count of kids who are classified within a district, and then trying to set up a scaled or tier system -- like they had under CEIFA -- where it would provide aid based upon the needs of the children.

Assemblyman Singleton was asking about -- how can we prevent districts from gaming the system -- from taking advantage. Under CEIFA, there were indicators about what would be an indication of severity or greater complexities of needs. So if a staff-to-child ratio was 1:3 at a school, or less, then that would be an indication that there's more -- because the average would be about 1:8, teacher-to-student ratio; or even 1:12. It could be the need for summer programs; if the student needs continuous education because of the amount of backsliding that will happen during the summer, that's another indication of need.

So I think that if you have-- You can establish some criteria that would indicate need.

The second thing would be, again, the census-based formula -- it's easy for the Department of Ed to calculate, but it's not really fair to districts in New Jersey. And so it could be done in a more accurate way for the districts.

And three, you know, equalized funding for all public special ed student, regardless of whether they're placed in public or private schools. That's the whole concept of placement-neutral funding.

I'd like to comment about some sweeping fiscal regulations that the State Department of Education proposed, recently, for the private special ed schools. In 2015, representatives from our group, ASAH, met with the Department and discussed rule changes that would improve fiscal accountability and transparency. And we agreed on 18 items that covered issues like administrative costs, maximum salaries, and legal costs. Again, in the spirit of trying to -- cost reduction and responsibility.

However, when the code came out, they said they wanted to make it apply for 2017-2018. The Department added more than two dozen new items to the code that were never discussed; and some of the agreed-upon items were changed.

So here's an example--

ASSEMBLYWOMAN CARIDE: Gerry, I -- if I could just interrupt you.

MR. THIERS: Yes.

ASSEMBLYWOMAN CARIDE: The three minutes -- I just want you to wrap up your thoughts, if that's possible.

MR. THIERS: Okay; I've gone on too long.

ASSEMBLYWOMAN CARIDE: No, that's okay. It's all interesting and it's educational for us. But I just wanted to--

MR. THIERS: Thank you.

Just one example is that the -- it's over staff training and salaries. There are going to be limitations on that, where it would be

difficult for staff, you know, in our schools to be able to be trained properly because of the specialized requirements of the children. It's not something you can get down -- like professional education you can get nearby. It's expensive, but it has to be done in order to serve the kids.

We're living with fiscal constraints; our schools are currently doing that. But we're concerned that the Department is trying to put greater restrictions on our schools, as opposed to public programs or general contractors. So it skews the system again -- the system -- so that it's not placement-neutral. And some schools will struggle to keep their doors open with these regulations, let alone provide quality services. The families and children will suffer as a result.

Thank you.

ASSEMBLYWOMAN CARIDE: Thank you, Gerry.

Does anyone have any comments or questions?

ASSEMBLYWOMAN SCHEPISI: I have one question.

ASSEMBLYWOMAN CARIDE: Please.

ASSEMBLYWOMAN SCHEPISI: You actually-- I just brought up legal costs, which made me think-- In a lot of our districts, when -- just anecdotally speaking -- parents who have special needs children, oftentimes it appears that they have to go through protracted legal battles to get the type of services that they're seeking.

In talking about the funding formula -- talking about some of the revisions or changes that we could potentially all do together -- what are your thoughts on, maybe, creating an outside-of-district neutral-type panel to make these classifications for each of the districts so that you're not spending money on legal fees and other things; but rather, spending the

money and receiving adequate funding to teach the children? And I was just wondering if you've ever, kind of, thought about that, or what your experiences are on that subject.

MR. THIERS: I think it would be good to have a system of trying to handle disagreements between parents and districts that would be more aggressive than what we have right now.

I think Julie mentioned earlier -- like, she is parent advocate -- and we've also-- We use parent advocates as well. In fact, we have an advocate who will help a parent anywhere: it could be a placement in a public school, one of our schools, whatever. If they have a dispute with the district, the advocate will help them.

The good news is that when you have talented advocates, in about 8 out of 10 cases they'll negotiate settlement; you know, the settlements will occur with districts outside court.

So if you do have people who understand the law and the regulations working in this area -- it's much less expensive than it would be to use lawyers and the court system. You will save considerable amounts of money.

ASSEMBLYWOMAN SCHEPISI: And a just, last, follow-up with that.

If we implemented a system -- at least, on the special needs side -- where there was a more fair funding, regardless of where you lived, and the funding would follow the special needs child -- do you think that could reduce some of these fights and some of these issues?

MR. THIERS: I think it would, because it would put the district in a better position to be able to provide an appropriate placement

for the child -- either in-district or whatever placement that's needed -- and be able to afford it.

So I think, yes, that would definitely help. The problem now is districts are robbing Peter to pay Paul.

ASSEMBLYWOMAN SCHEPISI: Right.

MR. THIERS: It's very difficult to provide for all the students in the district, and then also -- and get appropriate placements for the students who have disabilities.

ASSEMBLYWOMAN SCHEPISI: Okay; thank you.

ASSEMBLYWOMAN CARIDE: Anyone else?

Assemblywoman.

ASSEMBLYWOMAN JONES: First of all, I want to thank you for taking the trip though the state. Coming from Camden County, as I did, I found Trenton and the State School Board meeting this morning a good way to come to Hackensack. (laughter)

Anyway; but it also -- it follows my education in this area. Listening to the private schools that deal with our special needs kids and their needs, and seeing the financial ramifications of some of the rules just put in place, alarms me. And I'm grateful for your attendance and, in fact, a number of parents, as well as school administrators, there to discuss it.

We really need -- and I think we've said it before, Madam Chair -- we really need to look at special education issues, separate and apart, because we're just not doing the right job.

I really like that idea about -- outside of the immediate school district. It might avoid subjective conflicts.

MR. THIERS: Right.

ASSEMBLYWOMAN JONES: So let's see where we can go with that.

Thank you; thank you.

MR. THIERS: Thank you.

ASSEMBLYWOMAN CARIDE: Gerry, thank you for being here.

And I know you and I have talked about special education; and it's something that all of us on this panel are concerned about, and it's something that the Speaker made clear that he wanted addressed, as well as the pre-K.

So thank you very much for sharing your information with us.

MR. THIERS: Thank you.

ASSEMBLYWOMAN CARIDE: It's good to see you again.

Next, we'll have Susan McBride.

Welcome, Sue.

**S U S A N M c B R I D E:** Hi; good morning.

ASSEMBLYWOMAN CARIDE: Good to see again.

MS. McBRIDE: Thank you; pleasure, Assemblywoman.

Good afternoon. My name Susan McBride, and I am the President of the Bergen County Education Association.

I have been an educator for over 28 years, so I have a lot of front-line experience when it comes to the effects of school funding.

In 2008, the School Funding Reform Act passed with bipartisan support. It was the product of informed input from education stakeholder groups, and upheld by the New Jersey Supreme Court. SFRA was a true

accomplishment; it established a fair and equitable way to allocate funds to school districts.

After the initial implementation, in 2009, SFRA has been underfunded by approximately \$1 billion each year. This refusal to run the funding formula for seven years has led to gross inequities in school aid.

I don't know the nuances of the funding formula, nor do I possess your individual levels of expertise on the issue. But I do have years of experience as an educator and a taxpayer.

Barring the brash comedies that focus on classroom slapstick or Greek life antics, in several movies educators are most often portrayed as heroes, wholeheartedly and selflessly giving to their students. These stories move us, making us recount our own fond school connections, and we are transported.

While these movies are entertaining, educator-as-hero movies often depict the individual sacrifice of *a* teacher, or *a* principal, or a single education support professional, helping *their* kids. These movies often communicate that somehow, that one individual, the one selfless school employee, is the exception; while the fact remains that, for many of our educators and public school employees throughout New Jersey, that level of sacrifice is the rule. I am certain that right now, as I'm speaking to you this afternoon, educators and school employees in Bergen County and across New Jersey are digging into their own pockets to buy snacks for kids they know come to school hungry, or supplies for a lesson that they want to teach.

While these are resources that should be provided by the district, educators across New Jersey take it upon themselves to provide students what they need when district resources fall short.

As a taxpayer and an educator, I believe that one of the most significant problems facing public education is the lack of adequate support for our students. This shortcoming has far-reaching tentacles, hindering students' ability to realize their full potential.

New Jersey property taxes are high, and the residents don't want to pay more. So it follows that raising school taxes is never popular. At the same time, we have a Governor who has given \$8 billion to corporations, while failing to provide an \$8 billion investment in our students' future, our future, and the future of New Jersey.

Like every New Jersey taxpayer, I'd love to pay fewer taxes, not more. And under Governor Christie's and Senator Sweeney's respective funding proposals, I probably would pay less. My family, my friends, and my colleagues, most certainly all share that same sentiment, "Cut my taxes, and do it now." But then, I think, what will become of our State when we decide that our most valuable assets are not worth the investment? How will cutting aid to a third of New Jersey's students -- as proposed by Governor Christie -- affect them? Has Senator Sweeney thought about the impact of cutting school aid to over half of New Jersey's students? Is the money that we would save each year worth neglecting to fund the kind of quality education that changes the lives of our students and the generations that follow?

As an educator, it pains me to know that instead of funding the formula that already exists, the Governor and Senator Sweeney are out

there talking about so-called *fixes* that would do nothing more than create a system of winners and losers. Governor Christie's Fairness Formula would further reduce aid to about 414,000 schoolchildren, and provide tax breaks for our wealthiest residents at the expense of middle- and lower-income families and students.

Senator Sweeney's proposal would reduce aid to about 715,000 students by almost \$685 million. On average, that equates to around \$960 per pupil, and that is unacceptable.

Both proposals have one thing in common: They are divisive and fail to invest in our public schools, thus disabling their responsibility of providing a thorough and efficient education. Instead of working to remedy the \$1 billion funding gap, these plans aim to pit communities against each other. Besides, why should we trust either one of these individuals? Both Governor Christie and Senator Sweeney have a history of lying to their constituents, furthering their own political agendas. We must stand up to them because, ultimately, either one of their proposals would decimate our public schools.

We can't allow them to use the school funding issue to appease their respective power bases, securing their own political futures on the backs of our students.

We need to fund SFRA and not further reduce aid to our students. We have never seen SFRA fully implemented. We need to begin there, first. We have the solution to school funding right in front of us. Instead of ignoring it, why don't we work within the confines of SFRA to make sure every school district in New Jersey is fairly funded, and educators and students have the resources they need to succeed.

Thank you.

ASSEMBLYWOMAN CARIDE: Thank you, Sue.

Assemblywoman.

ASSEMBLYWOMAN McKNIGHT: I just want to make a statement, Susan.

You brought up the fact that teachers have to buy food, or it comes out of their own pocket to buy supplies. And teachers have their own families that they have to care for. So I just want to commend you and all the teachers who are out there -- not just being an educator, but also being a primary caregiver during school hours. So I just wanted to say thank you.

MS. McBRIDE: Thank you, Assemblywoman.

ASSEMBLYWOMAN CARIDE: Assemblywoman.

ASSEMBLYWOMAN SCHEPISI: Thank you for coming today.

And recognizing that you're here in two capacities -- one as an educator, as well as the head of the Bergen County Education Association; and representing Bergen County, which has about a quarter-of-a-million school-age kids--

MS. McBRIDE: Yes.

ASSEMBLYWOMAN SCHEPISI: --approximately a million people. Yes, we have some wealthy communities; we also have a lot people who are struggling to make ends meet, day in and day out, throughout all of Bergen County. We have one of the highest foreclosure rates, we have one of the highest personal bankruptcy rates. Most of our towns -- up to 70 percent of the property tax is driven solely by our schools.

So we have people living in Dumont in a house that, anywhere else in the state, would be paying \$4,000 a year in property taxes; and instead people are paying \$12,000 and \$13,000 a year in property taxes because, primarily, based upon the school funding formula.

Now, as the head of the Bergen County Education Association, my question is, yes, there will be inequities in funding always. But how do we justify the City of Passaic, which has only 67,000 residents, receiving more funding than a million residents of Bergen County, all 70 communities combined? Or even under SFRA, the majority of our communities would be receiving less than \$1,500 in total per student, even if fully funded. But yet, Senator Sweeney's proposal is so bad because it would result in \$960 per pupil less in some instances, where most of our communities aren't even receiving \$900 per pupil?

And I'm just trying to reconcile and figure out -- in any iteration of keeping it as is, all of our communities get hurt -- not just the wealthy ones, but the ones in Bergen that can't afford it. And I just want your thoughts on how we make it a little bit more equitable.

MS. McBRIDE: Thank you for your question, Assemblywoman.

I would say, we don't have a basis to judge effectively, because the school funding formula hasn't been fully implemented; where, if it had, we might be able to compare more apples to apples.

Secondly, I would say that, overall, many communities in Passaic County, and Burlington County, and Atlantic County are suffering economically. Those students come to school from households and communities that don't have as much. So they do need-- I mean, we are

judged, as a society and as a culture, by how we take care of the least of our brothers. And I don't mean that in an insulting way; I mean, what-- The American public school system is the great equalizer. And what are we doing to start the lives of children who come to us, at a deficit to begin with -- what are we doing to raise them up and to give them an equal, fair shot? And that's the point of view of our members, and that's the point of view of the educators who care so deeply about the students in Bergen County.

ASSEMBLYWOMAN CARIDE: Troy.

ASSEMBLYMAN SINGLETON: Thank you, Ms. McBride, for being here today. And thank you for your commitment to our children, as a teacher.

My friends and colleagues on this board know that I spend Sunday dinner with my mother-in-law, who is a retired teacher -- public educator--

MS. McBRIDE: And I'm sure you enjoy every minute.

ASSEMBLYMAN SINGLETON: --and my father-in-law, who is a Superintendent. They don't always -- we don't always enjoy every minute of it; we don't (laughter). But I love them dearly.

If you could, because we've heard-- Now, this is our second hearing on this topic, and we've heard from folks from the Education Association, now, at both hearings. And I don't think you'll have a disagreement amongst any of us up here that fully funding the school funding formula, since the first year it was implemented, was the first time and last time it was fully funded. You're not going to have a disagreement from any of us who would say that we would like to see it fully funded.

But I want to ask you the same question that I asked one of your colleagues and senior leadership at the NJEA when they were here before us before. Because I want to make sure that I'm -- there's a consistency to the message, so I want to ask you as well.

MS. McBRIDE: Okay.

ASSEMBLYMAN SINGLETON: Absent new money -- and I'm not, I think-- It's more likely that there will be absent another a billion dollars put into school funding than not. But absent new money, would you be supportive of us actually running the formula on the amount of money that is allocated by the Governor, when the Governor gives his budget address, and the Legislature deals with it? Would you be supportive of actually running the formula on that pot of money? Because we don't run it, period, now. But would you be supportive of actually running the formula based on whatever pot of money -- excuse me -- that the Governor allocates for school funding?

MS. McBRIDE: I think that if the school funding formula is fully implemented, I think it puts us in a better frame of mind to see, in a better position to see if the deficits are there, and where the deficits are. Without fully funding it, it's like we're seeing only part of the picture. I think if we fully fund it, and we say, "Okay, so there's not enough money to go ahead and do the things we want, and districts are continuing to suffer," then from there we make a decision as to where else to go for funds, or make the best decision on behalf of the students and families in the State of New Jersey -- from my point view, in Bergen County -- where we need to proceed with, perhaps, investigating additional funding resources.

ASSEMBLYMAN SINGLETON: Ms. McBride, I appreciate your answer, but that really wasn't the question.

MS. McBRIDE: Okay.

ASSEMBLYMAN SINGLETON: It wasn't an answer to the question I asked you.

I agree with you; and I think everyone up here would agree with you that providing the school funding formula with the resources it needs to be fully funded is an ideal and a move that we should be moving towards.

MS. McBRIDE: Okay.

ASSEMBLYMAN SINGLETON: What I'm saying to you is, absent that -- because in the last year, I think the number was in the \$6-point-something-odd billion that was funded, and there should have been about \$8-point-something-billion. So my question is, if for no other reason -- we get the same \$6-point-whatever-billion for school funding, would you be supportive of us running the formula on that \$6-point-whatever-billion? Because we don't run it now, period; it's just, sort of, allocated in the Department -- is the question I'm asking you.

MS. McBRIDE: Thank you for your clarification, Assemblyman.

I'm not in favor of a formula that takes money away from our most-dire-need districts for funding; and I'm not in favor of implementing or designing a plan where educators have no seat at the table, which encapsulates both the Governor's and the Senator's plans. So I would suggest that the plan that we know, and the plan that we have, needs to be improved and worked upon. But to fall to the other two plans would be a bigger detriment to our students and our school districts.

ASSEMBLYMAN SINGLETON: Ms. McBride, I'm going to let you go, because-- And I'm not trying to be argumentative, but you've yet to answer my question.

MS. McBRIDE: I'm attempting to, Assemblyman.

ASSEMBLYMAN SINGLETON: And somehow, we're disconnecting. So I don't want to belabor the point, because we have a long list of folks--

MS. McBRIDE: Understood.

ASSEMBLYMAN SINGLETON: I will share with you-- Your colleagues from Trenton, from the Education Association -- when the question was asked of them, one of the things that was said back was, "Absent adding new money in," the thought was to actually run the formula -- which we still haven't done -- on whatever allocation is there. The reason why I ask you that -- because in your testimony, you talked about you didn't want to see winners and losers. And I had a semantics discussion, the last time, where when you run the formula on -- the actual formula that we all think works, which is a national model that other states emulate -- on a reduced pot of money, you will invariably have folks in districts who used to get more money and districts who get less.

So while we may all want to, and strive to, get more money in the system -- which is, I think, what we should all be working towards -- our challenge in understanding this issue is, absent that, are we in a better position to actually run the formula on whatever pot of money is allocated, or do we continue what we're doing now -- which puts us in this position to-- You talked about neighbors arguing with neighbors, districts arguing with districts. But if the formula is going to be run on whatever reduced

amount of money, we are going to come to that paradigm again. And that's what I'm trying to understand, as folks come before us -- if that's the direction we need to go; that's sort of what I think we, as leaders here, are trying to hear and understand. Because then that's a discussion that internally, all of us -- these are our suburban, rural, urban, no matter what. That's a realization conversation -- that some of the districts we represent will see less dollars because we want to run the formula the way it's actually supposed to be, while we're striving to get more money into the districts.

Thank you.

MS. McBRIDE: Thank you.

ASSEMBLYWOMAN CARIDE: Anyone else?

ASSEMBLYMAN AUTH: Thanks for the testimony.

MS. McBRIDE: Thank you.

ASSEMBLYMAN AUTH: My question is quick.

MS. McBRIDE: Okay.

ASSEMBLYMAN AUTH: Is there a number -- a dollar amount -- at which point spending, after that point, becomes superfluous?

MS. McBRIDE: So, in other words, you're saying throwing good money after bad? Is that what you're saying?

ASSEMBLYMAN AUTH: Just, at some point -- it's working up to a certain point, then anything beyond that point is wasted money. Is there a number, for the average student -- save the special needs; that's another kettle of fish -- let's just talk about the average student in New Jersey. Is there a number at which point any money after that number is of no consequence?

MS. McBRIDE: Thank you, Assemblyman.

I'm not sure that I can answer that, and say that after \$20,000, throw out the money because the kid doesn't need anything else.

I don't know that I can answer that and feel confident in any kind of answer with a definitive dollar amount. Every child is different, every living situation is different, every district is different. So I don't know that I can provide you with a definitive dollar amount to satisfy your question.

ASSEMBLYMAN AUTH: Thank you.

ASSEMBLYWOMAN SCHEPISI: Just kind of going back to fairness and everything. Would the Bergen County Education Association support a change to how the special needs funding is currently allocated to make it fairer for the Bergen towns?

MS. McBRIDE: I think that would be something that I'm not comfortable answering at this juncture. I would need to investigate that, and talk to my membership and my colleagues more directly on that specific issue, being that you're talking about special ed and special needs students.

ASSEMBLYWOMAN SCHEPISI: How about yourself, personally?

MS. McBRIDE: I have special needs students in my family, and I know that the districts and the school systems that they go to are in Bergen County. And my families are very pleased with the amount of work and the efforts on behalf of the members, and the educators who work with those students.

And again, I'll kind of refer back to my response to Assemblyman Auth, and that is every district is different. And I heard the

speaker before talk about the Allendale school district and how she was not -- she was disappointed in the special education services offered there, and kind of attributed that to the level of funding perhaps. I would say that that's a fluid situation within any school district, and I think it would be inherent upon special education families in a school district, and the Administration, and the staff, to get together and decide on how to improve the situation.

But again, in terms of a dollar value, every district, and every school, and every child is different. And I don't know that a specific dollar value is going to cure a child of their disabilities, or make their -- be the cure-all. I think that the children who require special services deserve every penny they get, and need to have as many supportive services as possible.

ASSEMBLYWOMAN SCHEPISI: And I just ask, because all of us have pledged to work together to try to come up with better means. And whether it's the Boston model that was just put forth or another model, you know, it's kind of moot if your organization doesn't -- ultimately, doesn't want us to change something. Because you guys are a loud voice; you do have the ability to either champion or not champion certain legislative initiatives. And I'm just trying to get real feedback on whether or not it's something that we're going down the right path on.

MS. McBRIDE: Well, again, I think that bringing the educators to the table and making them part of the conversation is key to doing that. And so we certainly appreciate opportunities like this, and opportunities in the long-term, being part of a solution.

ASSEMBLYWOMAN SCHEPISI: Okay.

ASSEMBLYWOMAN CARIDE: Assemblywoman.

ASSEMBLYWOMAN JIMENEZ: Assemblyman Auth, I love you to death, but I thought I was going to strangle you (laughter).

As a mom of a special needs child who was tested in Bergen County, the bottom line is that our funding isn't-- We're not being funded correctly; that we know. I think that it would be more fair if it was funded properly. With that said, I mean, it isn't. So I mean, I think that -- I have a sister who lives in River Vale; I have a brother who lives in Princeton. I showed them my daughter's -- the testing, okay? And I spoke with a teacher in River Vale; I spoke with a teacher, my sister-in-law, who has her master's, in Princeton. She said, "Angie, we would, basically, do the same thing." But of course, because there's not enough in our school system to help Gianna (phonetic spelling) with what -- she needs her help. You know, the bottom line is that it's all about the monies; we're not funded properly. So to hear that, "Oh, you know, would there be a set amount, and then the extra would be a waste." It's never a waste; because there are some kids-- Luckily my daughter isn't as bad as my neighbor, who has multiple disabilities, who needs a little bit extra.

And everybody-- It's not a cookie-cutter; you know, not each child, each district, each demographic -- there are so many things that are taken into consideration. The bottom line is, like as Assemblyman Singleton was saying, you know-- I think, in the bottom of my heart, as a legislator, but as a mom of a child who has an issue -- and I never thought I would, you know, face these issues, because I never-- Not until you're in those shoes do you feel it, do you educate yourself.

In my District, in my town, the parents of a special needs child would not be as -- unfortunately, would not be as involved as the parent of

a child in River Vale or in Woodcliff Lake. I think that has a lot to do with it; you know, an educated consumer. You know we try-- I am an educated consumer; I try to look for methods for my daughter; and everything has a cost to it, everything has a price.

I think that if the formula were-- And I think that Troy's question was very fair. Given a set amount of money, would you guys be happy with it? You know, if that's all they had, you know-- I don't want to cut my daughters -- the things that she needs; I wouldn't want to cut it. But the bottom line is that, if this is the formula -- if this is the amount of money, the pool that's given, I think that we have to work with it. We want more; absolutely. We need more. But, you know, the bottom line is, how do we come to it, how do we get to it?

ASSEMBLYWOMAN CARIDE: Assemblyman Auth, I think they have a question for you.

ASSEMBLYMAN AUTH: Thank you.

First of all, my admiration for you is beyond compare. (laughter) And we are great friends.

I just wanted to correct one thing. When I asked that question -- my question was for the average student; it was not for-- I eliminated special needs entirely from the question that I was asking. And I don't know if you caught that part; you may have been looking at some of the materials. I said, save the special needs; we all know that's a separate thing entirely. My question was, specifically: At what point does the amount become a waste of money, just for the general population of school children. So in other words, if you're a child in the 6th grade learning reading,

writing, arithmetic, social studies, and those things; and you're just going through the regular form of education in a particular school.

At some point, you may have, let's say, \$15,000; and then, after \$15,000, you can't do that much more. There are only six hours in a day; you can only get so much into a child's mind.

ASSEMBLYWOMAN JIMENEZ: Absolutely.

ASSEMBLYMAN AUTH: So, I mean, that's the kind of figure I was looking for. I think you may have misunderstood my question.

ASSEMBLYWOMAN JIMENEZ: You know, through the Chair--

But the bottom line is, an average child in River Vale, I don't think is like an average child in West New York. That the average child in River Vale-- I would like to think all kids are the same, but they're not. They might have the support of two parents who speak -- who are bilingual, or who speak the English language. In West New York, it might be a single parent. That child might be very bright, but have issues at home. His attention-- He's bright; he's a bright kid, and he's the same average child, you would think. But he might take a little bit more time to focus, because he came home, he came to school, he doesn't have a coat in the winter, he's worried about, "I'm cold, I might be a little hungry." There are so many different things that these kids-- And I'm talking about, also, an average child. There are so many different needs in different areas. You know, it's not the same.

My niece in Princeton isn't the same as my daughter in West New York. And they're both -- yes, they're both bright kids, yes; my

daughter has an IEP, but they're both, you know-- It's not a cookie-cutter thing, and it's hard.

But the bottom line is that a formula-- It's not a cookie-cutter thing throughout the state; it isn't throughout our towns. I wish it were, but it's not. It's a matter of how do we get this done in a way that is fair to all of the kids from all different kinds of demographics, you know.

ASSEMBLYMAN AUTH: No, I agree. And I didn't want you to misunderstand my question.

ASSEMBLYWOMAN JIMENEZ: No, no, I fully understand. But it really isn't a cookie-cutter thing. An average child in Woodcliff Lake is not the same as an average child, I think, in Union City, or in Jersey City, or in Camden.

ASSEMBLYMAN AUTH: Some of those kids from Union City are pretty smart. (laughter)

ASSEMBLYWOMAN JIMENEZ: All of our kids are smart.

ASSEMBLYMAN AUTH: I'm down there, so I know. They're pretty sharp; some of them work for me.

ASSEMBLYWOMAN CARIDE: So we're all good here at the podium?

ASSEMBLYMAN AUTH: That's right.

ASSEMBLYWOMAN CARIDE: There you go.

ASSEMBLYMAN AUTH: Thank you, Chair.

ASSEMBLYWOMAN JIMENEZ: Thank you.

ASSEMBLYWOMAN CARIDE: Sue, thank you so much for joining us today and sharing your thoughts.

I know some of the questions that were thrown to you might have taken you for a loop. We're just trying to figure out how to best address this; and we'll ask questions that, perhaps, you or our guests won't have an answer to. But the fact that you're willing to come up here, and share your thoughts, and be honest and say, "I don't have an answer to it" -- that's good enough for all of us, because we need to dig in and figure out how to properly address this. And the more information we get, the better it is for us. And if you don't know the answer, then perhaps you'll turn around and go out and look for an answer and then share it with us again.

So we're all looking for answers; we're trying to figure out how to best work with what we have. So I appreciate, so much, you coming up here and sharing your thoughts with us.

MS. McBRIDE: Thank you, Assemblywoman. I appreciate it.

ASSEMBLYWOMAN CARIDE: Thank you.

I just want to remind everyone -- since we only have the room until 7:00 this evening, and we have a long list of invited guests to speak, we're going to try to stick to our three minutes; the 30-second rule, please. And we'll, hopefully, be able to finish with everyone having a chance to address all of our members here.

Next, we have Dr. Patricia McGeehan.

And Doctor, would you like to come up with Mr. Smith from your District?

**PATRICIA L. MCGEEHAN, Ed. D.:** (off mike) Yes, that would be fine.

ASSEMBLYWOMAN CARIDE: Mr. Smith, come on up.

Again, if you have any written material, please don't read from it; summarize it for us. Because we do have a short period of time in this room.

DR. McGEEHAN: Thank you.

ASSEMBLYWOMAN CARIDE: Doctor, thank you do much for joining us; good afternoon.

DR. McGEEHAN: Good afternoon.

ASSEMBLYWOMAN CARIDE: Mr. Smith.

**L E O J. S M I T H, Jr.:** Thank you.

ASSEMBLYWOMAN CARIDE: Welcome.

MR. SMITH: Thank you.

ASSEMBLYWOMAN CARIDE: Please.

DR. McGEEHAN: I'll be talking about the program, and Mr. Smith will be talking about the finances a little bit more deeply.

ASSEMBLYWOMAN CARIDE: Thank you, Doctor.

DR. McGEEHAN: Good afternoon.

At the onset, I wish to thank the Assembly group -- Committee for this opportunity to speak today.

My name is Patricia L. McGeehan, Superintendent of Bayonne, and we are located in Hudson County.

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

After decades in my District as a teacher, as a Principal, and the last 17 years as its leader, I find myself in a tale of two cities: One city is Bayonne, in dire need of State funding due to severe State underfunding,

once again; the other is a group of Hudson County cities, to our north and to our west, granted millions of dollars more, on a continuous basis, year after year. Why not Bayonne?

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

For our neighboring cities, new schools are built with unlimited funds and state-of-the-art technology, class size is low, and administrative support is boundless. But why not in Bayonne?

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

Also, the New Jersey DOE M.O.S.S. Team considered Bayonne a prime target for threats due to our proximity to New York, as well as our plethora of petroleum refineries. Therefore, we have extra safety concerns, but not the administrative support necessary to adequately address them. In the cities to our north and west, there are layers upon layers of administration, and program supervisors, and directors.

We must schedule for PARCC, purchase thousands of testing devices, and analyze data for over 10,000 students. At our last Board

meeting, seven administrators were riffed-- *riffed* meaning, they lost their jobs.

Due to lack of funding, we are in a serious structural budget crisis. All of our neighbors are adequately funded by the State formula, so why not Bayonne?

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

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

I am not asking for anything extra. I see how other school districts are granted their fair share due to the SFRA stature. Why isn't this funding equitable? And these three words haunt me: Why not Bayonne?

Finally, when will Bayonne students ever count? And I know from your discussion today, I know what your answer is: that you want to fund this program. So please do it so we can help the children of Bayonne.

Thank you.

ASSEMBLYWOMAN CARIDE: Thank you, Doctor.

Any questions? (no response)

Mr. Smith.

MR. SMITH: Hi, my name is Leo Smith; I'm the Assistant Superintendent of Schools and the School Business Administrator for the Bayonne School District, located in southern Hudson County. And we are

represented by Assemblywoman McKnight and Assemblyman Chiaravalloti. It's nice to see them up on the panel; maybe they can, as the Doctor said here, bring the bacon home to Bayonne. (laughter) It's about time.

I come here today to ask this Committee to properly fund the Bayonne School District. We don't want the formula changed, we don't want it tweaked, we don't want it abandoned. We just want it followed.

By the State's own formula, the Bayonne School District is underfunded and under adequacy by \$10 million a year, ladies and gentlemen. Think of that number: \$10 million a year. Since the inception, over \$65 million of the State's own formula has not come to the great Peninsula City.

While our neighbors in the north -- Jersey City and Hoboken, to mention them -- were former Abbott districts and enjoying those benefits, the students of Bayonne have gone without. We were told to do more with less, do more with less. But as you all know, what happens when you do more with less? Ultimately, you do less with less.

A demographic study of the three districts that I just mentioned -- Bayonne, Jersey City, and Hoboken -- will find that they are pretty much equal in the areas of special needs students, in the areas of ELL, and in the areas of economically disadvantaged students. In other words, the demographic no longer stops at the city line. Bayonne is no longer Mayberry in Hudson County, as it was once alluded to.

Jersey City has approximately three times as many students as Bayonne; approximately 30,000. We, in Bayonne, have about 10,000 students. Yet Jersey City receives eight times as much State aid. Now, I

don't want to take anything away from them; but give us what you owe us. Go and fight for us. We need that covered.

Hoboken, on the other hand, spends about \$8,000 more per student, and has 8,000 students less than Bayonne. These are our same students; we have the same problems, we have the same economic need, we have the same children who we're dealing with.

And we run a great special needs program. I hear my colleagues out there championing special needs. We have people moving to Bayonne due to the autistic program that this young lady, here, instituted many years ago. They flock to Bayonne, and the program is flourishing.

I've included in my packet -- that I'll give to you -- a number of graphics and some articles from the Education Law Center.

In closing, I want to state that failure to follow the funding formula, year after year, has placed our District in a position where, despite our diligent efforts to continually cut costs, find new streams of revenue, and other solutions, teacher and administrative positions have been compromised. And the full, rich education that we strive so hard to provide to our students could be at risk.

The funding formula is not the issue; following it is the issue. And we only ask that that formula be followed, as it was intended, by the Legislature so that students get the education and the resources they deserve, as any other district in the state.

I thank you for the opportunity to speak.

And I have one question. Being that we are so underfunded, will the parking tickets be validated? (laughter)

ASSEMBLYWOMAN CARIDE: I have to talk to the boss.

MR. SMITH: Thank you, ladies and gentlemen.

ASSEMBLYWOMAN CARIDE: Assemblywoman, go ahead.

ASSEMBLYWOMAN SCHEPISI: I don't know if you actually have the answer to this question--

MR. SMITH: We'll try.

ASSEMBLYWOMAN SCHEPISI: --but do you know if Bayonne has any significant number of PILOT agreements -- payments in lieu of tax agreements with developers?

MR. SMITH: Well, that's another -- that's been ongoing in Hudson County, as you know. There are some new developments in the city of Bayonne where PILOTS have been granted to developers. In fact, I went to speak before the Planning Board in Bayonne and they were recommending new projects. And I told the developers and the Planning Commission -- the Planning Board -- that instead of PILOTs they should do SILOTS. And they all looked at me, and they said, "What's a *SILOT*?" I said, "A school in lieu of taxes would help greatly." Maybe when granting these PILOTS, a percentage of the cost of the overall project could be set aside by these mega developers and put towards the maintenance of facilities, put towards the projects that need to be done in these schools throughout the state.

ASSEMBLYWOMAN SCHEPISI: Well, I'm very happy you said that, because I introduced legislation this week saying that.

MR. SMITH: Right.

ASSEMBLYWOMAN SCHEPISI: But I-- One of the big disparities -- and not to pick on Jersey City -- but Jersey City-- And I also

put in legislation, on this, to cap the total percentage of your property base --

MR. SMITH: Right.

ASSEMBLYWOMAN SCHEPISI: --that you can do, pursuant to PILOTs. But Jersey City is -- 12.4 percent of their entire property base in in PILOTs, which exempts \$2 billion from the City. And so they end up -- and you want to talk about being able to game the system a little bit -- as a result of those exemptions, under the current formulas that are used, they end up gaining over \$400 million of school aid because of the exemptions for the PILOTs.

So I think it's something that-- As we're trying to come to a global solution on a lot of these issues, we've got to look at instances like that and take them into consideration in whatever we ultimately do.

ASSEMBLYWOMAN CARIDE: Thank you, Assemblywoman.  
Assemblyman.

ASSEMBLYMAN CHIARAVALLOTI: Madam Chair, thank you.

Assemblywoman, just to answer your question. There have been several PILOTs recently approved. But Bayonne has not enjoyed the growth and development that the rest of Hudson County's Gold Coast has; namely, because of transportation issues.

You know, I don't have a question for Dr. McGeehan or Mr. Smith, because we've been talking about this issue for the 12 months that I've been in office. And you know, I think Bayonne, though, is the poster child for the rim districts and what went wrong if you didn't choose to be -- if you didn't become an Abbott District. Bayonne had an opportunity to

become an Abbott district. A generation ago, a decision was made -- a political decision was made -- that, quite frankly, for 25 years, the students of Bayonne -- the children of Bayonne have been paying the consequences for that political decision. If we were an Abbott district, we'd have the additional funding that we, quite frankly, deserve because of our socio economics.

But that's yesterday, right? We can't go back and redebate that; I don't know -- Dr. McGeehan would know -- I think that's four or five mayors ago, now.

But I do think, though, if you look at overall-- If you look at the school funding formula, and you look at what Bayonne's receiving and what they should be receiving -- right now, Bayonne's in a class of school districts that are receiving just about 50 percent of what it should be receiving under the school funding formula. If we raise that, if we raise that percentage to 55 to 60 percent, the day-to-day impact on the school district would be tremendous.

And I think when we talk about the special needs, and we talk about all the different intricacies of the formula itself, I think one of the things we do need to look at, though, is that there are some districts that are huge winners. I mean, there are 138 districts receiving less than 60 percent of the school funding formula that they should be receiving; and there are about the same amount receiving over 200 percent, okay?

So I do think, as we go through, it's important for us, as members of the Legislature, to look at those numbers and understand those numbers.

In the context of the PILOTs -- let me just say, like you, we've been working on legislation and, hopefully, we'll be able to work on it together. Because that is a serious issue, and we need to address it.

Let me just conclude by thanking Dr. McGeehan. She has served the Bayonne School District for a very long time, and has done a tremendous job in the school district. And this period of time, though, is a period of great stress for the school district, not only because of the formula, but because of other budgetary issues. And, you know, we have to figure out where we're going to go in the next fiscal year.

So I look forward to working with Mr. Smith on his upcoming budget.

So thank you, Madam Chair,

DR. MCGEEHAN: I just-- Could I add something?

ASSEMBLYWOMAN CARIDE: Please.

DR. MCGEEHAN: Sure.

We've gone so far to survive, so we're actually running our own before-care and after-care program with all of our teachers. So we actually make a profit in order to survive.

We also run our own lunch program. Most school districts have providers that do that; we run our own lunch and breakfast program in order to make some extra money to survive.

Mr. Smith has come up with plans to collect scrap metal -- as petty as that may sound -- and collect cardboard to raise funds to meet the needs of our children.

So it's not that we're not trying -- all of our ingenuity -- and we're not wasting money. We're trying to make money. I don't know

where you would find another district in New Jersey that runs to try to make money for its district.

ASSEMBLYWOMAN CARIDE: Thank you Doctor.

Assemblywoman.

ASSEMBLYWOMAN McKNIGHT: I just want to make a comment in reference to Jersey City.

Nicholas and I, you know, we are-- We support Bayonne and we have Jersey City. Both of our districts are not fully funded, so I just want to make that clear. I know that Jersey City is-- You know, you look at it, and we are getting much more money due to the PILOTs. However, 70 percent of the children in Jersey City get free or reduced lunch. So we have a lot of issues in Jersey City.

And I know, Nicholas and I -- we tussle with this. You know. Bayonne needs money; people say Jersey City gets too much money. So we're here to support -- to make sure that Bayonne gets enough, Camden, Paterson, Union City. But I just wanted to paint the picture that Jersey City does not get -- is not getting fully funded, just like other cities.

DR. McGEEHAN: We're close to that 70; we're a little bit below in free and reduced lunch, just for the record.

ASSEMBLYWOMAN CARIDE: Vice Chair.

DR. McGEEHAN: Any questions?

ASSEMBLYMAN SINGLETON: Thank you both for being here.

One thing I wanted to say -- so my colleagues have talked a lot about the abatement stuff. And there's a yin and yang between trying to spur economic development and its impact on education. And that is a yin

and yang that will probably continue as we try to drive development into areas.

But many of us have embraced this understanding of this issue. I'm proud to have worked with two -- actually three of my colleagues from the other side of the aisle on this very topic; and our proposal currently sits on second read. And it's actually what you talked about, Mr. Smith. It would require folks getting abatements -- under Assembly Bill 326, it requires folks getting abatements to audit and certify the number, if they have school-age children who are coming in to these developments, and take the per-pupil cost out of that PILOT and have it shift over to the school district -- that specific amount.

There is a lot of debate about whether abatements suppress the property tax value, because other taxpayers are picking up because it's not the actual amount. And that's been -- that's a lengthy and long discussion, and I am not going to belabor that. But just so you are clear. You've heard it from my friend and colleague, Holly Schepisi, from the Republican side of the aisle; you heard it from my friend and colleague, Nicholas, from the Democrat side. All of us understand this issue, and have all engaged in trying to look at it in different ways.

The last thing I wanted to say to you -- and Angela, my friend Assemblywoman McKnight, raised this. And it's the constant struggle that many of us have, but especially those who represent our urban areas. And I keep harping on this point, because I don't want it to get lost. So last year-- I serve on the Budget Committee as well. So last year, during this discussion, I asked OLS to give us -- give me a better understanding of what happens if you run the school funding formula on the pot of money; the

question that I talked about earlier. And if we ran the formula on the money last year, Bayonne, for instance -- just running the formula that everyone says is accurate -- Bayonne would have received another \$3.9 million by running that formula. The construct out on the other side -- Jersey City would have lost \$41 million if you run the formula -- the formula that everyone believes is the most equitable formula and is a model -- if you run it on the amount of money, Jersey City would have lost \$41 million. I don't think anyone up here can honestly, in good conscious, sit here and say that Jersey City should lose \$41 million just trying to educate kids.

So as we continue through this debate, and continue through this, I don't want it to just be anecdotal, because I have charts upon charts of numbers on this stuff. If we're not adding more money to this equation, districts are going to lose money. And what we're doing now -- people say you don't want to create winners and losers. We create winners and losers now by not running the formula. So we do that now.

So either we're going to agree to do the formula and deal with the consequences that are associated with it, or we're going to have to add more revenue to the equation. And if we're not-- And our current Governor has been a bit reticent about adding revenue in this area; and that's his prerogative while he's still in office. But if we're not going to add more revenue to it, there is invariably going to be districts that are going to receive less. And it will be a hard piece to look at and say-- And just to use this as an example -- because we've been talking about Jersey City and Bayonne -- to say to the kids in Jersey City, "You're going to lose \$41

million because we're running a formula; because the formula is good and we should run it based on whatever pot of money we have."

MR. SMITH: Assemblyman, the students of Bayonne would like to be in the winner's circle one time. We've never been there.

ASSEMBLYMAN SINGLETON: Right; and I agree with you.

MR. SMITH: We've never been there, and that's the rub.

ASSEMBLYMAN SINGLETON: Your neighbor, a town next to you--

MR. SMITH: Well--

ASSEMBLYMAN SINGLETON: --probably wouldn't want to be in that loser's circle to the tune of \$41 million either.

MR. SMITH: Well, maybe there could be a little shift, a little shift.

ASSEMBLYMAN SINGLETON: See, and that is the challenge. It's all subjective -- what the shift--

MR. SMITH: Another \$300 per student in Bayonne--

ASSEMBLYMAN SINGLETON: I got you.

DR. MCGEEHAN: Could go a long way

MR. SMITH: --could go a long way.

MR. SMITH: It would be \$3 million.

ASSEMBLYMAN SINGLETON: Understood. But I just wanted to make sure we are all aware of actually what the numbers say--

MR. SMITH: Okay.

ASSEMBLYMAN SINGLETON: --and so we're not talking in hypotheticals.

MR. SMITH: I got you; thank you.

DR. McGEEHAN: Thank you all very much.

ASSEMBLYWOMAN CARIDE: Assemblyman.

No, no, just a minute. I think someone has a question.

ASSEMBLYMAN AUTH: Thank you.

Thanks for your testimony.

And let me just preface my comments by saying the Broadway Diner: an institution in Bayonne. (laughter)

MR. SMITH: The world's best pancake.

DR. McGEEHAN: That's right.

ASSEMBLYMAN AUTH: You bet.

Hey, I empathize with you -- with your issue about Abbott. So Abbott hasn't been revisited; you have a neighbor like Hoboken, that's very affluent, and is actually an Abbott district

DR. McGEEHAN: That's right.

ASSEMBLYMAN AUTH: So my question to you would be this: Do you think-- And I'm not saying take Hoboken out of the Abbott district; but, you know, we might want to reevaluate Hoboken, for example, and say, Hoboken has three-quarters of its population very affluent, and a quarter is not affluent. And Bayonne has, let's say, 50 percent of its population affluent, and 50 percent not so affluent.

Then we take a situation like that and, said "Well, we're not going to add any more money to the Abbot district, but we're going to recalculate, or recalibrate, the Abbott district to include sections of Bayonne and sections of Hoboken that warrant being Abbotts." As opposed to saying, "Well, we just have to give the entire town, in its totality, Abbott district status," when someone has, I don't know, a \$1.5 million townhouse,

and has a great job in the City, and everything else, and he's only paying \$6,500, \$8,000 for his home in property taxes.

Is that something that would work, you think?

MR. SMITH: You're talking about Hudson County now; so God bless you. (laughter)

ASSEMBLYMAN AUTH: Well, I have a business there, you know? Hudson County can work very well sometimes. I'm not going to -- I've been in business down there for 30 years, and I've seen good things and bad things about Hudson County.

MR. SMITH: Yes.

ASSEMBLYMAN AUTH: But would that be something that would work out to your benefit, do you think?

MR. SMITH: We would try anything that might benefit us; we would be open to discussion. And bring the players to the table; we'll meet in the diner, and I'll buy the pancakes. (laughter)

ASSEMBLYMAN AUTH: Well, we may take the Chairman up on that, and we'll do that sometime.

MR. SMITH: Okay.

DR. MCGEEHAN: We haven't had money in such a long time, anything we can get would be very, very helpful to take the stress and the budget crisis that we have right now-- And we are in a structural crisis right now, because of all these years -- all these years of neglect in our town. That's why we are where we are right now.

ASSEMBLYMAN AUTH: I even had a problem with your water system; I'm aware of that too.

Thank you very much.

MR. SMITH: Thank you.

DR. McGEEHAN: Thank you.

ASSEMBLYWOMAN JONES: Thank you -- just one moment; sorry. (laughter)

ASSEMBLYWOMAN CARIDE: We don't want you to leave us.

ASSEMBLYWOMAN JONES: I just want to say thank you, number one. My Senate colleague and I sent out a letter the first of the year expressing our concern about Jersey City and Newark; both Abbott districts. Jersey City, doing just fine; underfunded, according to some adjustment formula, but according to the dollars, not so. And Newark, one of the 17 Abbott districts -- along with Paterson and others -- that have dropped down. So they are struggling as well. I found that really disconcerting, as a member of this Committee, listening to some issues about Newark, and then going back and looking things up.

And I just want to tell you -- and I have great empathy for my colleagues who represent both Jersey City and Bayonne, and having to walk this walk.

ASSEMBLYMAN CHIARAVALLOTI: Such beautiful towns.

ASSEMBLYWOMAN JONES: But I want to-- Pardon me?

ASSEMBLYMAN CHIARAVALLOTI: They are both such beautiful towns, Pat.

ASSEMBLYWOMAN JONES: I agree.

ASSEMBLYMAN CHIARAVALLOTI: Okay.

ASSEMBLYWOMAN JONES: I love them both.

ASSEMBLYMAN CHIARAVALLOTI: I know.

ASSEMBLYWOMAN JONES: I had a person who lived in Hoboken; I went there frequently, as it was becoming more and more affluent. So I understand those needs.

I also represent Camden City that, again, as an Abbott district, gets a little more money than they should if we were to really hunker down. Because what we did was, we kept funding everybody in this hold-harmless position so that their money went up. They didn't do re-vals, so their local share was never properly equated; it's very frustrating.

But you give a voice to the letter that my colleague and I wrote, really, that we have to do something; we're all about it. I think that the Senate's been having meetings around the state. And I know we have two more coming, so we can hear from people so that we can determine what to do to be fair.

And I really don't want to hear about winners and losers, because we've got them now. And you're proof of that, and what we have to do is try and bring everybody to a fairer place -- a *more fair* place. Is there an English teacher out there? (laughter) I think I did it wrong.

But anyway, thank you so much.

DR. MCGEEHAN: Thank you.

ASSEMBLYWOMAN JONES: And I really have great respect for all my colleagues here, particularly the two who represent your district.

MR. SMITH: Thank you.

DR. MCGEEHAN: Thank you very much; and so do we.  
(laughter)

ASSEMBLYWOMAN JONES: Very good.

ASSEMBLYWOMAN CARIDE: Doctor and Mr. Smith, thank you so much.

MR. SMITH: Thank you.

DR. McGEEHAN: Thank you.

ASSEMBLYWOMAN CARIDE: We'll call up next, Ernest Gallant.

Did I pronounce your last correctly?

ERNEST GALLANT: Gallant (indicating pronunciation).

ASSEMBLYWOMAN CARIDE: Gallant; good.

Welcome.

MR. GALLANT: Good afternoon. My name is Ernie Gallant; I'm the President of the Lopatcong Board of Education.

Lopatcong is located in Warren County, along the Delaware River. We are a K-8 district, with approximately 850 students. And we are a sending district to Phillipsburg High School. We send approximately 370 students to Phillipsburg High School.

We are a DE District Factor Group, and our budget is approximately \$18 million. So not as big as some of these other ones that I'm hearing about, but we're--

When Phillipsburg -- which is the district we send our high school students to -- when they were an Abbott district, there was a law put into effect that said that they couldn't use the Abbott funding to calculate the cost per student, which made the tuition a lot lower than it is now.

In 2008, when the Abbott designation went away, our tuition was, like, phased-in, supposedly over five years. The State, at that time, offered to give us \$229,000 a year for five years; we got it for one year.

Since 2008, our high school tuition has gone up 210 percent, okay? That's, like, over 11 percent per year, and that's because of a decision that was made by the State. At the same time, the State put into effect a rule that we could only increase our tax levy by 2 percent. So if you add 11 percent per year, compared to 2 percent, it doesn't really add up.

What we've done, coming into it -- we knew it was coming, so we saved some money; we put some into tuition reserve. Every year we've had cuts; but each year, the cuts have gotten more and more drastic, until the last two years, we had to cut \$1.8 million -- that's approximately 10 percent of our budget -- over three years, and that was all in positions, okay? We actually cut into classroom teachers; it got that drastic for us.

We've always been a frugal district. Our administrative costs per student -- we're in the lowest 25 percent and, this past year, we had to get rid of a Vice Principal on top of that. We only had four Administrators, counting the Superintendent, to begin with. So we cut a quarter of our Administrators and, before that, we were in the lowest 25 percent for administrative costs per student.

We're in a very, very, very drastic, poor financial situation. We're, like, standing on the edge of a cliff. We can only increase taxes so much, and we can't control our tuition.

We're only funded at 85 percent of the School Funding Reform Act -- what it says we should be funded. We're underfunded by \$640,000; which may not sound like a lot to some of these bigger districts, but to our district it makes a big difference in what we can do for our students.

If we were funded without the growth limit cap -- we're only funded at 73 percent -- we would receive, on top of the \$640,000, an

additional \$1.5 million. If we were to get any of this funding back it would make a huge difference to Lopatcong.

Right now, we have no place to go. It's like, 2 percent per year; and we tried to go out for a referendum this past year, but nobody wants to raise their taxes, and it went down fairly bad.

As a District, we support fully funding the School Funding Reform Act, and we appreciate your efforts to try and make adjustments to the formula to reflect the current state of each district, based on the district's current needs and their ability to pay based on the community wealth, in order to make it fair for all districts. We want to see something that's fair. We'd also like to see the formula fully funded.

So please continue your efforts to try and help us; and, in our case, the sooner the better, because we're very close right now.

So thanks for listening to me, and we appreciate your concern.

Are there any questions?

ASSEMBLYWOMAN CARIDE: Any comments? (no response)

ASSEMBLYWOMAN JONES: Thank you.

ASSEMBLYWOMAN CARIDE: Mr. Gallant, thank you for coming all the way out here. I appreciate you taking the time to share your story from your town with us.

MR. GALLANT: No problem; thank you.

ASSEMBLYWOMAN CARIDE: Thank you.

ASSEMBLYMAN CHIARAVALLOTI: Thank you.

ASSEMBLYWOMAN CARIDE: Cathy Kazan.

CATHERINE KAZAN: Thank you.

MS. KAZAN: I want to say good *evening*; I think *afternoon* is over. (laughter)

ASSEMBLYWOMAN CARIDE: We're close to it. (laughter)

MS. KAZAN: We're getting there.

I want to thank you all for the work you do for the citizens of New Jersey, and for inviting us to this hearing today.

My name is Catherine Kazan, and I am a member of the New Jersey School Boards Association Legislative Committee, representing the 40th District; as well as a School Board member, and taxpayer.

I am not speaking for my Board of Education; I am speaking as an individual who happens to be a Board member -- so a policy disclaimer.

I ran for the School Board because I care about the future of all of our children in New Jersey and wanted to do my part locally. I became a member of the School Board Association State Legislative Committee for one very simple reason. We were receiving too many expensive, unfunded and underfunded mandates from Trenton. I felt that it would be prudent to reach out to all of you before laws were passed, so that you would know how your decisions affect us all throughout the state.

I'm happy to report that, since I joined the committee, much progress has been made. You've allowed us in to speak to your Committees, and are listening; and again, I thank you for that. We need to work together for the benefit of the children.

I'm here, today, to talk about some of the ideas on the table. As a public education advocate, I cannot agree with the Governor's plan. One-size-fits-all education doesn't work, and one-size-fits-all funding certainly won't. The School Funding Reform Act was initiated to provide a

measure of equity. We need to remember the word *equity* in these deliberations.

Senator Sweeney's plan seems to be closer to that end. Any plan you consider has to take all the children into consideration, along with the community's ability to pay. That was the whole basis, I believe, for the SFRA in the first place. I would like to see any plan that is considered follow those same guidelines.

I realize the reason we have not been able to run the formula has a lot to do with the lack of economic recovery here in New Jersey, and the revenue needed to fund it. I hope that one of the things that comes out of this meeting today is that not only does this Committee need to come up with a solution, but the rest of the legislature needs to come together and find a solution to the bigger problem of revenue. If that is already underway, thank you. You obviously cannot give us what you do not have.

I will end with one story to illustrate how the lack of funding in suburban districts is having an impact. In my District, we have gone out for special questions three times in recent years: twice for full-day kindergarten -- which we don't have -- and once for safety and security upgrades, of which 40 percent was to be provided, in debt relief, by the State. All three times the questions were defeated. I live in a community that has, historically, supported its school district. The residents are done, and are telling us, "No more."

We need your help. The caps and mandates have put us in a negative position financially. As of the 2016-2017 school year, my community has been underfunded by \$27.9 million, and counting. I've attached -- I gave a packet out earlier -- statistics provided by the Education

Law Center that illustrate the trend since 2009. That would have easily paid for full-day kindergarten, as well as the safety and security upgrades.

Finding a solution to this problem isn't easy. I hope by working together we can come up with a plan that puts all of our students first, and relieves some of the burden on the local taxpayers.

Thank you for your time.

ASSEMBLYWOMAN CARIDE: Thank you so much.

Any comments? (no response)

Thank you so much.

Just before we continue, I don't want you to think that we're abandoning you. (laughter) Some of our colleagues have just gotten up to stretch, and they'll be back. So we're going to be here until the end with you.

Next, we're calling Carolee Adams.

Welcome.

CAROLEE ADAMS: Thank you very much.

I was born in this town, over 70 years ago. I know it well.

I start out -- and it's philosophical, but there are facts involved.

My name is Carolee Adams; I've lived in Bergen County all of my life, and attend, probably, weekly board meetings. Education -- to Eagle Forum -- is very, very important to us, as an organization; and to me, very, very personally.

I started by calling it an *Emancipation Proclamation for Education in School Funding in New Jersey*.

In the words of Assembly Speaker Vincent Prieto, quoted in a January 30, 2017, *New Jersey Spotlight* article, I begin, "No part of the

current school-funding formula should be off limits. Any real look at school funding would look at all problems and issues that have arisen, as well as demographic changes and changes in the fiscal conditions of school districts.”

If to truly look at all problems and issues of school funding, we could be ensnared in a complex debate about not only unequal or unfair funding, but also our abysmal State economy; an economy that discourages corporate development -- because of taxation -- that would bring us State and local revenue, jobs for the needy; and, importantly, the breakdown (*sic*) of New Jersey families who cannot or will not provide a home for their children that encourages and prepares them to well learn in the classroom.

A good education is not rocket science. It requires a good teacher, students prepared to learn, and a good curriculum. And that curriculum is not Common Core and PARCC -- another expensive, uber-failure foisted upon states, and local districts, and taxpayers by the United States Department of Education, that I'll now simply reference as *FedEd*.

And I'll skip down, because I know my time is limited.

But I do believe that much of what we're talking about is -- and I hate to use the word *losers* -- I don't like to lose, but New Jersey and the schools, as a whole, are all losers in the sense that so much of our money goes down to a failed, Federal Department of Education with little coming back to us. As an example, in my hometown of Montvale, our per-pupil aid is \$513.78; our Pascack Valley Regional High School District -- the per-pupil aid is \$551.45. And we certainly contribute far more to the Federal Department of Education, with little in return.

You'll see in my written testimony that, you know, I personally oppose the nominee for Federal Secretary of Education, Betsy DeVos. And that may sound unusual, because I'm a conservative Republican. But one of the reasons is, I think that, as a conservative Republican -- but one of the reasons is because her nomination would perpetuate the continued intrusion into local districts; and she supports Common Core. Perhaps we need an emancipation proclamation from such Federal intrusion, that since its formation in the Carter Administration, has only seen one failed reform after another and a primary reason for the demise and increasing expense of the overall education of our nation's children. It's time to disestablish the United States Department of Education.

You know, as seasoned citizens like me sometimes do, I repeat myself. But this demands repeating. In an April 2010 *Record* article -- which I've attached to my testimony; that's 2010 -- a forum at Bergen County Academies, sponsored by Senators Sarlo and Weinberg, about Governor Christie's budget cutbacks, including cutbacks to education, I was quoted, "Carolee Adams of Montvale criticized the Governor for education and municipal aid cuts that will hurt Bergen County more than any other county in the state. 'Governor Christie has talked about shared sacrifice,' Adams said. 'We have sacrificed more here in Bergen County than anyone else.'"

Almost seven years later from that forum, every single Bergen County municipality, except one, continues to sacrifice more than anyone else in regard to school funding. Further, nearly two-thirds of the state's school districts -- accounting for an estimated three of every four students -- are underfunded, based on the 2008 school aid formula.

I gave you examples of some savings of nearby municipalities where I live. And also I've compared the cost to Jersey City and Washington Township in Gloucester County.

But any change to help Bergen County municipalities from such inequitable sacrifice must be procured.

Last but not least, boroughs -- such as Montvale -- suffer an additional inequitable funding process in that, under the current funding formula, each sending town to our regional high schools pays its share of school taxes based on property values, not per-pupil, which was how the District was funded from its inception in 1955, until 1975 when the State changed the formula.

Montvale and Woodcliff Lake send fewer students than two other sending districts to our regional high schools, yet we pay more. A flat-rate per-pupil would alleviate at least that. In the 2010-2011 school year, Woodcliff Lake paid \$29,940 per student; Hillsdale, \$14,861; Montvale, \$23,829; and River Vale, \$17,240. I love my Borough Districts; I don't like a winner or loser mentality, but that funding formula is wrong right there.

*An Emancipation Proclamation for Education and School Funding in New Jersey* is one for the ages, if incorporating all the problems and all the issues as Speaker Prieto generally referenced, and upon which I defined and elaborated in my testimony. Once written, once enacted, the history of New Jersey's education will be forever changed for the good. It need not be complex. But now is the time for it to be respected and written.

And I just add one thing. Not feeling so well, I always say that on my tombstone -- should I have one -- will be written, "Here lies the woman who died trying to shut down the United States Department of

Education.” I don’t want it to be on your tombstone; you’re much younger. But I ask you to seriously consider more blue-sky thinking in regard to the type of funding that we have in the State of New Jersey, that does not serve any student well with all the Federal requirements that are foisted upon us.

Thank you very much.

ASSEMBLYWOMAN CARIDE: Anyone have any comments?

(no response)

Ms. Adams, thank you very much for joining us.

MS. ADAMS: Thank you.

ASSEMBLYWOMAN CARIDE: Thank you.

Next, we’re going to have Esther Fletcher.

Esther, good to see you.

**ESTHER FLETCHER:** Always a pleasure, Assemblywoman.

My husband, Patrick, is here to testify as well; so now you know what date night in the Fletcher household looks like. (laughter)

ASSEMBLYWOMAN CARIDE: Actually, you know what? Why don’t we just bring Patrick up then, if-- No. (laughter)

I think you missed-- Esther, I think you missed the memo. He wasn’t testifying. (laughter)

MS. FLETCHER: I guess not.

Good afternoon, and thank you for the opportunity to come before you today.

My name is Esther Fletcher, and I am proud to be a public school teacher. I teach middle school mathematics in District 38, home district of our Chairwoman Caride.

My students often ask me about the formulas we use in class. I explain to them that formulas are mathematically sound tools, which are used to logically solve problems. The trick, I tell them, is to make sure to put in the correct numbers; otherwise, formulas don't work.

The current funding formula takes into consideration a matrix of variables and weighted averages, designed to fairly address a wide range of educational needs across all socioeconomic, academic, and geographic spectrums. The problem does not lie with the formula; it lies with the numbers that are put into the formula, or rather, that are *not* put into the formula. As you all know, our funding formula is severely underfunded.

If everyone on this Committee stopped eating, changing meal plans would not change the fact that you are undernourished. The solution to our funding formula is simply to fund the formula. The challenge, of course, is how to do so after starving our districts for so long.

I often tell my students that the best way to eat an elephant is one bite at a time. Restoring full funding to our schools needs to begin with a first step.

The special needs population extends across all school districts, and does not discriminate by age, race, religion, geography, or socioeconomic levels. The State needs to fully fund special needs per the formula, as a first step. Subsequent budgets should then increase the commitment to the schools until each and every school is fully funded according to the formula, as legislated and deemed constitutional in 2008. Once fully funded, then we can reflect on the success of the formula and whether or not to change it.

If you are looking for some resources -- and I'm sorry that Assemblyman Singleton left; he's on the Budget Committee -- testing is incredibly expensive; evaluation documentation is incredibly expensive; mandates, regulations, and materials that you impose on the schools are incredibly expensive.

A skeptic would suggest that discussion over the formula creates a distraction from the issue of the underfunded system. This conversation began when Governor Christie set out to change the formula to a flat, per-student rate. As a recipient of seven years of the Governor's reformed practices, policies, and regulations imposed on our schools, I suggest we all pause.

The system isn't broken. I hope that, instead of changing the formula, the Assembly and Senate will insist on a budget that provides our children with their constitutional right to a thorough, funded, and efficient education. Our public schools, and the children we serve, have sacrificed enough.

I believe in the members of this Committee; I have seen some of you work and I know you can do it. Please work together to provide for our schools; just put the correct numbers into the formula. Then you'll get the right answer, we can all give you an *A*, and I might even give you a sticker.

ASSEMBLYWOMAN CARIDE: As long as it's a star.  
(laughter)

MS. FLETCHER: I'm also, if I may -- and I'm sorry that Assemblyman Auth left -- I had the opportunity to reflect on his question to my colleague -- on when is there a point at which it's too much. So I had

the benefit of reflecting over this time. And I would like to provide my answer, even though the Assemblyman stepped out.

I only hope and pray you fund our schools to the point where we can answer that question. (laughter)

Thank you.

ASSEMBLYWOMAN CARIDE: Thank you, Esther.

Does anyone have any comment? (no response) No?

Thank you, Esther.

MS. FLETCHER: Thank you.

ASSEMBLYWOMAN CARIDE: Jeffrey Bennett.

Hi, Mr. Bennett.

**J E F F R E Y B E N N E T T:** Thank you very much.

ASSEMBLYWOMAN CARIDE: Welcome.

MR. BENNETT: Hello; my name is Jeffrey Bennett, and I'm a former member of the South Orange and Maplewood Board of Education.

But I'm not here on behalf of the Board of Education; and my kids are not in schools yet.

I'm also here to support Steve Sweeney's aid proposal, although I don't -- I've never even talked to him at all.

I just want to address a few arguments that I've seen come up; that we can "just" fund the formula. Why we need to redistribute State aid is that, without redistribution, SFRA is underfunded by \$2 billion, not \$1 billion. The fact that we have a \$2 billion aid deficit is critical to accept because it underscores how budgetarily unrealistic the cost to "just" fund the formula are.

The \$1 billion figure that you often see is just our deficit relative to capped aid; while uncapped aid is real SFRA full funding. Capped aid is just an arbitrary amount that is 10 percent or 20 percent higher than whatever a district got the year before. Uncapped aid is the aid level that corresponds to a district's actual demographic needs and tax-base capacity.

To use the example of Bayonne: They said they were underfunded by \$10 million. That's their *capped* aid deficit. Bayonne's *real* deficit is \$50 million.

Moreover, even the \$2 billion deficit I just referred to, for 379 underaided districts, is an increasing target, since the State's funding goal has to increase with inflation, and the underaided districts are the ones that have growing student populations and/or falling equalized valuations. If you look at New Jersey's real estate picture, most towns in New Jersey are actually losing equalized valuation, and our gains are in a few places: Hoboken and Jersey City. They alone account for about 20 percent of our gain in equalized valuation. They're already over aided. So the districts that are underfunded are the ones that are ones that are hurting the most, and their aid targets will increase as equalized valuations drop.

Bringing every district up to 100 percent of its full, uncapped aid is not possible -- even in Steve Sweeney's aid proposal -- since even if that \$600 million in adjustment aid is redistributed, the net deficit is still \$1.4 billion. But fair funding is a lot more realistic when you're not keeping that \$600 million locked up in overaided districts.

I shouldn't have to tell you, as State legislators, how badly off New Jersey is budgetarily. You all know that every dollar of new revenue

we get is consumed by pensions and debt payments. You all know that the politically plausible tax increases, like a higher millionaire's tax, combined reporting, and marijuana legalization would only bring in about \$1 billion a year. You all know that the State has numerous areas other than K-12 education it needs to increase spending on, such as pre-K, higher ed -- where our spending is actually below average -- and transportation. You all know that 7.9 percent assumed return for our pension funds -- the so-called *discount rate* -- is an underestimate.

You all know that it's just a matter of time before we have a bear market or another recession. You all should know that going back to 1976, New Jersey has almost never fully funded its aid formula. Even Tom Kean, with a spectacular economy, gaining \$50,000 a year -- he underfunded the aid formula we had then by a cumulative \$900 million.

Argument 2: This is in response to something the Education Law Center said -- that we should not take adjustment aid from any district that is below adequacy. First, if this rule was put into effect, the total amount of aid that could be redistributed is reduced from \$600 million to about \$90 million, since so many adjustment aid districts are, in fact, below adequacy. And the ones that are above adequacy have surpluses in spending that are less than their excess aid packages. For instance, Asbury Park gets over \$25 million in adjustment aid. But due to its own undertaxing, it is only \$10 (*sic*) million below adequacy. Pleasantville -- another example -- gets \$14 million in adjustment aid, but it's only \$100,000 above adequacy. And Pleasantville's adjustment aid should be zeroed out by next year anyway, because its tax base is falling.

Ninety-three million dollars is nothing. Newark's uncapped aid deficit alone is \$90 million. So you have to redistribute.

Second, being above or below adequacy is not a true binary distinction, because the districts that are below adequacy have a wide spectrum of distress.

There is no equivalence between a district that is \$100 or \$1,000 below adequacy, and one that is \$8,000 below adequacy, like several districts in Ms. Jimenez's district are -- like East Newark and Fairview. They are the worst off in New Jersey.

And yet, the Education Law Center's argument -- protecting all under adequacy districts -- puts these districts, like East Newark, in the same category as a district that's barely below adequacy, like Old Bridge or something. This is like saying that a person who has a cold is the same as a person who is in an ICU, because you're both not feeling well. They are not the same thing.

ASSEMBLYWOMAN CARIDE: Mr. Bennett, not to cut you off, but I need you to wrap it up a little bit quicker. The three minutes are up. I just wanted to--

MR. BENNETT: Some people, earlier, got to go--

ASSEMBLYWOMAN CARIDE: I know; but that's why I'm asking you to please summarize.

MR. BENNETT: I was going to say that-- So you heard about Jersey City being under adequacy. They're about \$100 million below under adequacy. That's entirely their own fault. Jersey City has a local fair share of \$336 million. Their actual tax levy is \$116 million. That's below what Clifton pays, below what West Orange pays, even below what Newark pays.

Newark's tax levy is \$123 million. Jersey City can do a lot better than that. And that doesn't count Jersey City's \$9 billion in PILOTed property, which is what the value would be if it had an equalized valuation.

And also, the estimate of a \$336 million local fair share is on lagging data. After Jersey City's \$4 billion increase in the equalized valuation comes into play, the tax base will be even larger.

There are several other things I could say, but I do see that you are all very busy.

ASSEMBLYWOMAN CARIDE: Mr. Bennett, would you care to provide us with your written testimony? Do you have a copy of it?

MR. BENNETT: I have just some charts to hand out.

ASSEMBLYWOMAN CARIDE: Okay; but then you know what? I'll also give you a business card so perhaps you could e-mail it to us, and I'll be more than happy to share it with the members of the Board.

MR. BENNETT: Thank you.

ASSEMBLYMAN CHIARAVALLOTI: Thank you.

ASSEMBLYWOMAN CARIDE: Next, we'll call Mayor Carlos Rendo; and is the Councilman, Thomas Panso, here?

UNIDENTIFIED MEMBER OF AUDIENCE: (off mike)  
(Indiscernible).

ASSEMBLYWOMAN CARIDE: Okay; so we can cross him off as not testifying?

**MAYOR CARLOS RENDO, Esq.:** Yes, yes.

ASSEMBLYWOMAN CARIDE: Okay.

MAYOR RENDO: He's yielding my time (*sic*).

ASSEMBLYWOMAN CARIDE: He's yielding to you? Okay.

MAYOR RENDO: So first of all, I'd like to thank--

ASSEMBLYWOMAN CARIDE: You -- because I know you so well -- I'm going to hold you to the three minutes.

MAYOR RENDO: Okay; yes, well, this is like moot court.  
(laughter)

ASSEMBLYWOMAN SCHEPISI: Be nice to my constituent.

ASSEMBLYWOMAN CARIDE: Ah, your constituent and I go back 25 years.

MAYOR RENDO: First of all, I'd like to thank Assemblyman Jimenez for recognizing the children in Union City; because I was one of those immigrant children who couldn't read, write, or speak English. So thank you for recognizing the District.

But today I come as the Mayor of the great town of Woodcliff Lake.

For many years, Woodcliff Lake has been seeking to get relief from the inequitable formula which funds the Regional School District, educating our high school students and the high school students from three surrounding communities. To the extent that school funding is being examined, we trust that the problems plaguing regional school funding will not be overlooked.

Indeed, the Committee on Government Consolidation and Shared Services made a specific recommendation, nearly 10 years ago, to resolve the problem with regional school funding. The issue remains unaddressed. As a result, the method for funding regional school districts has posed the greatest obstacle in the issue of school district consolidation;

and more communities seek to end relationships that they have with the regional school districts, than to create them.

In the 1930s through the 1960s, when regional school districts were formed in New Jersey, the vast majority were limited-purposes districts providing for the education of high school students. At that time, regional school districts were funded by per-pupil contributions made by taxpayers in the member communities, although capital projects generally were funded on an equalized property value basis.

In the early 1970s, the Legislature changed the law and required that regional school districts be converted to funding based on an equalized property value. As a result, communities with relatively high property wealth in regional school districts saw the proportional costs explode, and the relatively wealthier communities in the regional school district -- not the State -- were forced to subsidize the relatively poorer communities in the regional school district.

As the problem with the structure became apparent, the Legislature revisited the law, and changed it again in 1993. Thereafter, regional school districts could be funded on an equalized property value basis, or per-pupil basis, or any combination thereof, so long as a referendum was passed in each of the respective communities to implement such a change.

Not surprisingly, such referenda did not pass, because there was no incentive for one town to increase its taxes simply so that the taxes in the neighboring community would be reduced.

For existing regional school districts, the formula remains painfully flawed. Our community operates a K-8 school district, as do the

other three communities served in the same regional school district. Thus we have five school districts serving four towns. We hired the state's most proficient experts to see what could be done to resolve this problem. The regional school funding formula is so flawed that there is no mechanism available that would allow us to combine these five school districts into one school district and have all four towns save money. That's right: We can eliminate four of these five school districts and create one K-12 district, which provides for millions of dollars of savings. Under existing law, there is no way to distribute the savings so that every community saves money.

We are left with some type of Rubik's Cube; as you tinker with a combination of equalized property value and a per-pupil funding, you get to the point where you try to get some of the towns to save money, but they simply cannot. This structure invites the town's school district to lose its autonomy and merge into a singular K-12 regional school system, and then have its taxpayers pay more money for that privilege. This is madness. For example, regionalization would save us \$2 million a year. There should be a mechanism by which each community can save \$500,000, and we could move forward with a more streamlined and efficient educational system. Under the current rubric, that is not possible.

As a result, my community of Woodcliff Lake remains trapped in a regional school district where we pay nearly \$2.5 million for the privilege of subsidizing the education of the high school students in our neighboring communities, and no way to find ourselves a more efficient structure where all communities can enjoy tax savings.

While focusing on so many of the reforms we need for funding public education here in New Jersey, please do not leave this issue aside.

Our community, like dozens throughout the State of New Jersey, bears the inequitable tax burden of the Legislature's last efforts to address regional school funding, and we ask the State to respectfully fix what is broken.

Thank you very much, and thank you for your attention.

ASSEMBLYWOMAN CARIDE: Any comments? (no response)

Mayor, thank you for joining us.

MAYOR RENDO: Thank you for having me.

ASSEMBLYWOMAN CARIDE: Sorry I won't be able to join you later on for dinner, but thanks for the invitation. (laughter)

MAYOR RENDO: Thank you; thank you, everyone.

ASSEMBLYWOMAN CARIDE: Take care.

Next, we're going to have Dr. Lerner and Tim McCorkell from Monmouth.

**HOWARD LERNER, Ed. D.:** (off mike) No, it's only myself.

ASSEMBLYWOMAN CARIDE: Oh, only yourself today.

All right; well, welcome.

DR. LERNER: Thank you.

I have written testimony.

ASSEMBLYWOMAN CARIDE: Yes; Manny, can you grab that? I'm sorry.

Doctor, good to see you again.

DR. LERNER: You too, Assemblywoman; thank you.

Good afternoon. My name is Howard Lerner, and I am the Superintendent of Bergen County Technical Schools.

I will be brief in my statement, but I will provide you with more comprehensive written testimony following my comments -- or actually, I just gave them to you.

County vocational schools face a unique funding situation. Our economic mission is to keep pace with industry and employer expectations, and our portion of our funding comes from both the county and from tuition; no local tax levy.

Bergen Tech experienced a \$3 million cut in State aid in 2010-2011, when all districts were cut 5 percent of their budget. Now, in 2017, seven years later, our State aid is still \$1.1 million less than what we received in 2009-2010.

The SFRA eliminated all per-pupil categorical aid for secondary and adult vocational programs, and shifted to a wealth-based formula. The only way we are able to continue high-quality programs is because we received \$4 million in adjustment aid. Back in 2008, we were promised that the State would keep the aid stable unless a school district lost 5 percent or more of their student enrollment. As you probably know, Bergen Tech has certainly not decreased in student enrollment, but has increased. In fact, we have increased over 160 students in the past three years.

If any plan proposes to abolish adjustment aid, Bergen Tech, and many other career and technical education districts, will be devastated. Bergen Tech will lose \$3.6 million; and even if that's spread out over time -- say, five years -- it still amounts to over a \$700,000-a-year cut. That will be an extremely difficult financial burden to deal with. Although our Bergen County government is very supportive of education, and Bergen Tech in general, we cannot expect them to fill the gap for the loss in State aid.

Thus, we'd be left with one of two decisions: one, cut programs from CTE, limit services, and/or allow our labs and our shops to become obsolete -- which will have the consequence of businesses distancing themselves from our schools, something that is completely counterintuitive to exactly what we would want.

Or two, substantially increase tuition costs paid by local districts for each student. As you know, districts are limited to a 2 percent increase each year, and this significant increase in tuition would not be fair to local districts.

My ask: Please consider and deliberate carefully regarding a new school funding formula; and think about CTE school districts differently, as we are different from local public school district. We play an important, economic role and have a unique funding structure. And we cannot raise taxes to make up for any shortfall.

For the short term, please avoid aid reductions for districts like mine so that funding changes do not have a negative impact on students, local districts, counties, or employers. And for the longer term, perhaps consider restoring a per-pupil aid for CTE programs so all counties are treated equitably.

I thank you for the opportunity to speak, and for your strong support of county career and tech ed programs.

Thank you.

ASSEMBLYWOMAN CARIDE: Thank you, Doctor.

Any comments? (no response)

Thank you for joining us this evening.

DR. LERNER: Thank you; nice to see you.

ASSEMBLYWOMAN CARIDE: It's good to see you again.

DR. LERNER: Nice seeing you.

ASSEMBLYWOMAN CARIDE: Dawn Fantasia.

**D A W N F A N T A S I A:** (submits written testimony) A little light reading for later.

ASSEMBLYWOMAN CARIDE: Welcome, and thank you for joining us.

MS. FANTASIA: Thank you.

It's almost evening, so I'll say *good evening* and thank you for having us today.

My name is Dawn Fantasia; I'm the Chief Communications Officer and the Director of Visual and Performing Arts at iLearn Schools. We oversee four charter school districts: Bergen, Passaic, Paterson; and our newest Hudson Arts and Science Charter School, serving students from Kearny and Jersey City.

I'm a certified teacher and School Administrator, and I have been with our schools for nine years. Prior to that, I taught in traditional public schools, and I am also a charter school parent. So I guess I'm coming from every angle today.

I don't need to go over the SFRA and beat that to death again, because I think we -- you know, you hear over and over, "It's not funded enough; the distribution is wrong," so on and so forth. Yes, and yes. But here you have this populous coming to you; you have educators from every walk, parents, advocates, homeowners -- everybody coming to you and saying, "Hey, fix this." But the problem is, we just don't have the luxury of time.

While the adults debate the intricacies of school funding, the clocks are ticking for children who are only 5 years old once; they're only 15 once; they don't get a do-over.

The longer we wait-- And I don't mean to beat up Jersey City. I apologize, because you are one of our districts that I feel like, you know, today it's been a little about Jersey City -- so I'll say this delicately. But cities like Jersey City delay property revaluations while collecting disproportionate adjustment aid. And charter schools just simply aren't the beneficiary of that. We heard some testimony about the discrepancy-- And my heart bleeds for Bayonne; my heart bleeds, also, for charters because we receive 60 percent of the per-pupil dollar amount that's going to traditional public schools, because we don't receive adjustment aid.

So therefore, 212 New Jersey school districts -- they receive more than 100 percent of the aid they should, according to the funding formula. And conversely, three of our schools' districts of residence -- which happen to be Paterson, Passaic City, and Garfield -- they're all former Abbots and they are currently underfunded. And we feel it in the classroom.

Let me give you an example of it. Paterson Arts and Science Charter School -- our students have been displaced and relocated three times in four years because there is not adequate facilities' funding offered to charter schools. However, if you examine their academic outcomes, you'd not only see logistical resilience, but also solid growth and comparative achievement.

And this year, in order to manage budget constraints in Bergen and Passaic, our charters did not hire teachers for specific content areas, we

eliminated planned courses, reduced funding for educational trips for students who may rarely ever leave their own neighborhood, and we reduced our co-curricular offerings.

Let me tell you what Bergen Arts and Science Charter School did last year. We were the only high school in Bergen County to graduate 100 percent of our seniors. So we cannot have a talk about school funding unless we link it to outcomes.

So I want to move this along a little bit; I know I'm running out of time here, but I know you're looking for suggestions. And it's never good to come to the table just complaining, and not be proactive, and you don't have any solutions.

So I'm not saying it's a great solution, but the way I feel is that districts and charters-- And I read a little bit in the press that you had this conversation, maybe, around January 14-ish with some folks from both sides. The question cannot be, "Should we collaborate?" the question has to be "How do we collaborate?" There cannot be this war between the district schools and the charter schools. We cannot always be on the attack. And we are about offering valid choices to communities with limited options.

So we want to see authentic partnerships where we are sharing services, where we are sharing facilities, where we're sharing strategies. It's hard to hate close-up; and I would invite any of you -- and I know Assemblyman Singleton has been to our schools -- I invite all of you to come to our schools. I would love for public schools -- district schools to invite our schools in. I think by working together -- similar to the gentleman who spoke on regionalization, in some ways--

You know, this divide is costing us all money and putting strain on us. And we're all on the same team. We're all coming to you saying, "Work together." So instead of being the voice of saying, "Let's do separate," let's work together. I think that that is part of the five-year plan, projecting forward, so we actually make some progress here and some bonding between all traditional public and public charter schools. I think we have to act like we're on the same team.

And that's all I have for you.

The little packet, though, by the way -- there's the link. But in it -- it's a new report that's released, and it's a study -- it's a pretty intensive study that was just released at the end of the month about pilots of this program, where districts and charters collaborated, and what the results of that were. So it's worth looking into.

ASSEMBLYWOMAN CARIDE: Dawn, thank you very much.

Does anyone have any comments? (no response)

Thank you so much.

MS. FANTASIA: Okay.

ASSEMBLYWOMAN CARIDE: And you're right; that was one of the main issues that we discussed when we had the hearing on charter schools. And it really boiled down to collaboration, or the lack thereof.

MS. FANTASIA: We can save money.

ASSEMBLYWOMAN CARIDE: Thank you so much.

MS. FANTASIA: Thank you.

ASSEMBLYWOMAN CARIDE: Thank you for waiting it out.

MS. FANTASIA: No problem.

ASSEMBLYWOMAN CARIDE: Thank you. (laughter)

Mr. Fletcher, do you wish to testify?

**PATRICK J. FLETCHER:** (off mike) I do.

ASSEMBLYWOMAN CARIDE: But not with your wife.

MR. FLETCHER: I do not. (laughter)

ASSEMBLYWOMAN CARIDE: Okay.

MR. FLETCHER: Good evening, Madam Chair; members of the Committee. Thank you for the opportunity to be here.

I come at it from a slightly different bent than the other Fletcher, so I felt it better that we have a little separation, if you will. (laughter)

I had the good fortune of testifying before you on January 18, with my colleague, Dr. Greene, who is also here. So in the interest of time, I am just going to summarize the 25 pages of data that we provided to you at that time.

As has been mentioned many times before regarding the School Funding Reform Act -- it has not been funded and, with all due respect to everybody, it hasn't been funded from its inception. In the first year of its inception, it was underfunded by \$1.1 billion. So we really haven't ever been in a position where we have had a full-funding effect on the formula.

And what's been happening at local school districts is the fact that because we're underfunded, because we also are dealing with increased mandates that come to us, because we have the 2 percent cap put on the budget, we are forced to look for efficiencies inside our budgets. And I am not here to tell you that that is not a good thing; it is an excellent business practice to look for efficiencies. However, after eight or nine years of this

process, we are running out of those efficiencies; and what's happening is that local districts are forced to make unfair decisions. And those unfair decisions come down to -- as my colleague Dr. Lerner said -- where we either have to cannibalize existing programs or try to find an alternative source of revenue -- which, as you know, for school districts, is a very, very limited opportunity.

So, quite simply, what's happening now is that the cost-curve of running schools is exceeding the revenue curve. And that is the case across the state; it affects every geographic area, it affects every socio-economic area, and it effects every enrollment level of school districts.

So as the previous speaker said, it's not fair to come to you without some suggestions on solutions; so I offer you two. However, I will give credit to my wife as the math teacher, because she has always taught me to break a complex problem down into smaller problems.

So right now, you have a problem of -- there are two problems: You have the inequitable distribution of aid, and then you have the underfunding piece. In the inequitable distribution, we've all used the figure of approximately \$600 million. And I am very confident that my colleagues across the state -- given enough time, and given your careful consideration on how you redistribute that aid that already exists in the budget and doesn't require you to find one more cent of revenue -- could help us all.

The second piece is the \$1.1 billion, \$1.4 billion -- depending on who you talk to -- underfunding piece. My suggestion to you there is that you choose and pick off the pieces of the formula -- that could be suggested -- as the special ed piece, the ELL piece, or whatever; and work to

phase in that formula over five years. That was the intent, back in 2008-2009, with adjustment aid. Adjustment aid's intent was to ease the winners and the losers, as have been described before, but we're not doing it. And I am confident that my colleagues, working with you, can and will address this issue, as long as we do it in a fair manner.

Thank you very much.

ASSEMBLYWOMAN CARIDE: Thank you, Mr. Fletcher.

Any comments?

ASSEMBLYWOMAN SCHEPISI: I have one quick--

ASSEMBLYWOMAN CARIDE: Please.

ASSEMBLYWOMAN SCHEPISI: Recognizing that you represent a school district with two different -- and you have River Edge and Oradell--

MR. FLETCHER: Correct.

ASSEMBLYWOMAN SCHEPISI: --where, confined by the 2 percent cap, as the Superintendent you know how little aid we receive in Bergen County. Oftentimes, as legislators, we really kind of get in the weeds and we don't look at the forest.

MR. FLETCHER: Sure.

ASSEMBLYWOMAN SCHEPISI: And one of my biggest concerns in Bergen County right now is the blend of the school aid, the 2 percent cap, and then we got hit a couple of weeks ago with the gap period for affordable housing--

MR. FLETCHER: Sure.

ASSEMBLYWOMAN SCHEPISI: --where our municipalities have now had shifted over to us all of the urban aid allocations for

affordable housing during that period of time as well. So your District alone, based upon what numbers you look at, is being told that they have to put in almost 600 affordable housing units between now and 2024.

MR. FLETCHER: Right.

ASSEMBLYWOMAN SCHEPISI: What will that do to your school district?

MR. FLETCHER: Well, clearly, in order to provide a concrete answer, you'd have to do a demographic study to determine what you would get.

ASSEMBLYWOMAN SCHEPISI: Right.

MR. FLETCHER: But 600 units would probably generate, I would say, in the neighborhood of 100 students who will have to come through. And depending on how they come to your school district -- if they come spread across the grades, or in chunks -- will have a major impact on how it would work.

I can tell you, they're pretty good at it. Because right here in Hackensack, the Avalon Development -- which is up the road from here -- their demographics were pretty spot-on in what was going to happen to the school district.

ASSEMBLYWOMAN SCHEPISI: Right.

MR. FLETCHER: So there are ways of doing it and understanding what it is.

ASSEMBLYWOMAN SCHEPISI: And the number was just-- I mean, affordable units -- if you put the market in there as well--

MR. FLETCHER: Sure.

ASSEMBLYWOMAN SCHEPISI: --we're at, almost, 2,500 to 3,000 units--

MR. FLETCHER: Sure.

ASSEMBLYWOMAN SCHEPISI: --coming in to your district. And how are we going to fund that?

MR. FLETCHER: Well, currently River Dell -- which, as you mentioned, serves two communities -- we receive 41 percent of our allotted -- of identified State aid. And we tax our population at almost 125 percent of what the adequacy is. So if nothing changes, that gap is going to continue; and what will happen is we'll end up taxing the spread between that aid and the tax will increase.

ASSEMBLYWOMAN SCHEPISI: Right.

MR. FLETCHER: Because we-- Unlike other schools, public schools have to serve the population that lives there. If you live in town, you have no choice. You offer the services that are there. So we would have to find a way to do it.

ASSEMBLYWOMAN SCHEPISI: Okay.

MR. FLETCHER: And I think, to my colleagues' credit, that's what's happened -- is that there are very able administrators, working with able board members, who take very difficult decisions and do an excellent job at it. And as a result, people don't think that there's pain. Well, there is pain. It's just that we hide it well, and we're getting to a point where we can't hide it any longer.

ASSEMBLYWOMAN CARIDE: Anyone else?

Go ahead.

ASSEMBLYWOMAN JASEY: It's always good to see you.

MR. FLETCHER: Likewise.

ASSEMBLYWOMAN JASEY: This question just came to me.

How much relief, or would there be significant relief if we were to change the testing requirements to something simpler, perhaps? Would that make much of a difference, that alone? Are there steps like that; or is that too small?

MR. FLETCHER: It's not too small, it's never too small. It's a matter of scale, of course. However, any relief that the Legislature provides to us in mandates allows us to move the funds devoted to that to other sources. And even though-- And I thank you, and the Senate, for increasing the overall pot of educational aid. And it has gone up. An increasing amount of that aid is being devoted to pension payments, debt service payments, Social Security, etc. So the direct aid to the classroom is not what's going up.

So any time we have the ability to shift a fund inside, or a cost inside our existing budget, it provides relief.

ASSEMBLYWOMAN JASEY: Is there one particular thing that comes to mind -- a mandate that would be most helpful that--

MR. FLETCHER: Yes; Howard left, but if I could have said -- we can't send anymore to the academies, I'd say that's a great thing. (laughter)

Is there any one thing? I would have to say that I believe we have overregulated our teaching staff. And if we had the ability to reduce our compliance mechanism with the evaluation system, it would probably serve not only us in school district-- the ability to shift those funds -- but I

think it would also free some creativity for our teaching staff that would allow us to do more with less, if you will.

ASSEMBLYWOMAN JASEY: Thank you.

MR. FLETCHER: You're welcome.

ASSEMBLYWOMAN CARIDE: Anyone else? (no response)

Pat, it's always good to see you.

MR. FLETCHER: Thank you for your time.

ASSEMBLYWOMAN CARIDE: Thank you.

Charles Love. (no response)

Okay; Mr. Love had to leave.

Beth Callahan. (no response)

Okay; Thomas Gorman.

Ah, Mr. Gorman.

**T H O M A S A. G O R M A N, Ed. D.:** Thank you for being here this late; I really appreciate it.

I feel a little pressure, because I'm the Principal of Ridgewood High School; and Ridgewood was mentioned a number of times earlier, so I feel obliged to be up here.

But actually I'm representing the Bergen County Principals and Supervisors Association.

And Bergen County has some of the best schools around; we have the highest test scores, graduation rates, and college acceptances. And they equal even some of the better ones in New Jersey and in the nation.

However, the inadequate funding has caused a strain on our districts. And I want to take a slightly different tack today than what some of my other colleagues have talked about.

I'm going to just talk about Ridgewood High School on a school level, to give some examples. But again, I am representing the whole County, here, for my fellow Administrators.

The lack of funding has caused a reduction in personnel. We have narrowed programming that we've offered traditionally; we've even increased class size. I have several classes that are at 38 kids in a class right now. And we don't hire substitutes anymore; so we found a way to get around that, but, no more substitutes.

Our building is 100 years old, and you know the strains that that causes -- on a building that old.

We've been trying to offer a STEM program; offer new World Languages, such as Sign Language; and increase building security. But all these programs have either been postponed or they're on hold for a little while.

The Ridgewood High School budget has not increased in seven years. So if you actually think about that, it's actually been a decrease over the years, because of the rising cost of all my purchase orders, and then the additional 100 students I've had in the past couple of years.

So we are consistently asked to do more with less; and it's almost become impossible, at this point. We're at that breaking point right now. And unfortunately, these issues are just not unique to Ridgewood High School.

In addition to the administrative spending cap -- which is outside of that 2 percent tax cap -- many districts in the county have been hindered by the different -- by not being able to hire personnel to address

the increased observations and the many other mandates that have come forth from the State.

The 2 percent cap has made us rely on money from parent associations, education foundations, and activity fees. And, in fact, we created an Alumni Association -- which, I have to get her e-mail later, and tap into that (laughter) -- but we have an actual Alumni Association, very similar to a college, to try and find other ways to try to raise revenues to continue our programs that we offer.

We've been asking for money from people personally now, which has created a burden on a lot of these people who the 2 percent tax cap was trying to offer relief for.

So to achieve success -- you know, to talk about solutions -- we're trying to help, maybe, run that funding formula that we've talked about; maybe offer some cap flexibility with -- whether it is special education can -- find a different way to do that; the administrative spending cap flexibility, maybe there; or even just a raise to the property tax -- which I know is unpopular, but that is something else that hasn't been brought up, really, that could offer a little relief.

But if you think about the academics, the arts, the athletics, and all the different activities that we offer, these programs are what our communities deserve and what our children need. And we've done a tremendous job over the years with this. And now, unfortunately, we're slowly going to have to start taking them away in the years to come.

So I know you have a daunting task ahead of you, but I really appreciate -- that the Bergen County Principals and others would be willing

to sit with you to work on some of these solutions and try to come up with some workable solutions for the future.

So thank you.

ASSEMBLYWOMAN CARIDE: Principal Gorman, thank you.

Any comments?

Go ahead.

ASSEMBLYWOMAN JASEY: Not a comment, but a question.

When you're referencing the administrative cap, are you talking about the cap within the cap?

DR. GORMAN: Yes, correct.

ASSEMBLYWOMAN CARIDE: Any other comments? (no response) No?

Principal Gorman, thank you so much.

DR. GORMAN: Thank you.

ASSEMBLYWOMAN CARIDE: Next, we'll call James Daley.

**J A M E S D A L E Y:** Thank you, Madam Chairwoman and members of the Committee.

I appreciate you holding this hearing; and I just want to give you a little overview.

My name is Jim Daley; I am a member of the Clifton Board of Education, and I've been designated by the President to speak on behalf of the District.

We are probably the poster child for one the most-underfunded districts in the State of New Jersey; probably in the top 10. We have-- Just to give you a scope: Our budget is \$160 million, approximately; we have

11,000 students; and about 1,600 employees, and about 950 of those are certificated employees.

So I just want to read you a statement that -- you also have that in front of you -- but I'd like to read it into the record because it really gives you a snapshot. And we're facing -- we've been dealing -- as all districts have -- with these issues for quite some time. This year, this coming budget, the chickens are coming home to roost. We're going to have to do some drastic things that are not in our ability to solve.

So I just want to give you a snapshot; if you bear with me.

The 2017-2018 Clifton Board of Education Budget must be adopted by a vote of the members by the beginning of May 2017. The process of putting this budget together was started by the Administration in consultation with the Finance Committee of the Board in December 2016. Although much work still needs to be done on the expenditure side of the budget, we anticipate that those expenditures will increase at a higher rate of growth than the anticipated increase in our revenues.

That's what everybody who has been before you is saying.

Since the 2009-2010 budget, the annual increase in the tax levy to the taxpayers of Clifton for education has been 2 percent or less for each of the last eight years. This approach was initiated before the State cap of 2 percent was imposed. Although in recent years the Board had the ability to raise the tax level higher than the 2 percent by the use of waivers, the Board has taken the position that 2 percent was to be held in recognition of the unfair tax burden that our fellow taxpayers currently bear.

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

Historically, the Clifton Board of Education has a long-established record of maintaining high educational standards at one of the lowest costs per student of any district of its size in the State of New Jersey. Currently, that number is approximately \$13,000 per student. In the current budget, the Administration needed to cut 24 certificated positions to have our balanced budget in the current year. This impacts the students we educate in our elementary, middle, and high schools. We can no longer continue to sustain such cuts in personnel and maintain our educational standards. It is also equally unfair to have the taxpayers of Clifton bear a greater financial burden than they already carry.

The source of this crisis lies squarely at the feet of the State Legislature and the Governor. The Clifton Board of Education receives approximately \$26.6 million in State aid per year, and is short-changed in excess of \$50 million per year. We receive less than 35 percent of what the State formula says that we are entitled to, yet the State funds 88 percent of what the New Jersey Department of Education full funding formula calls for. Many districts in the State receive more than 88 percent of their entitlement, and it is even more astonishing that there are a considerable number of districts that receive in excess of 100 percent of their entitlement. This is an untenable situation for the Clifton District.

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

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

In terms of what suggestions that you call for, I think one of the -- there are many; we can talk for hours and hours, and I can sit over a table and go on forever.

One of the things-- The first thing I think needs to be addressed -- the abatements that are allowed in the State of New Jersey have to be part of the educational process in funding schools -- that now it is completely untenable to have these subsidies. And, obviously, \$50 million would be great. It's meant to help the Clifton taxpayers, and all taxpayers. That's the purpose of school funding -- that it's not all on the backs of the property taxpayers.

So in essence, with that shortfall, the Clifton taxpayers are subsidizing other educational districts in the State of New Jersey.

So we just want to outline our particular situation. We think it's a poster for what's wrong with what's going on now.

And I'll be happy to answer any questions.

ASSEMBLYWOMAN CARIDE: Any questions? (no response)

Jim, thank you so much for joining us this evening.

MR. DALEY: I appreciate your time; thank you.

ASSEMBLYWOMAN CARIDE: Thank you.

And I know your town; it's a lovely town. It's a big town, though.

MR. DALEY: Yes.

ASSEMBLYWOMAN CARIDE: It is a big town.

MR. DALEY: We have a lot of challenges.

ASSEMBLYWOMAN CARIDE: You do.

MR. DALEY: And I think we do a pretty good job of it. So we on the Board of Education are very proud of how the District runs and, of course, we're very frugal.

If anyone wants to come and visit us, we'd be happy to have you over.

ASSEMBLYWOMAN CARIDE: Thank you so much.

MR. DALEY: Thank you very much.

ASSEMBLYWOMAN CARIDE: Have a great evening.

Mariann Kronyak (indicating pronunciation).

Mariann, did I pronounce your last name correctly?

**MARIANN KRONYAK:** (off mike) Excuse me?

ASSEMBLYWOMAN CARIDE: Did I pronounce your last name correctly?

MS. KRONYAK: Kronyak (indicating pronunciation).

ASSEMBLYWOMAN CARIDE: Kronyak.

MS. KRONYAK: Like cognac, with a *K*. (laughter) Now you'll remember.

ASSEMBLYWOMAN CARIDE: Welcome, and thank you for joining us.

MS. KRONYAK: Thank you.

Good evening. I'm Mariann Kronyak, an elementary teacher of 25 years, in Carlstadt. I am also the Chair for the NJEA School Finance Committee, as a representative of Bergen County.

As the Chair of the NJEA School Finance, I've learned many things about the School Funding Reform Act of 2008. The school funding formula is a fair formula, that was established in 2008, and has only been funded in 2009. Using this formula allows the State aid to fluctuate based on enrollment increases or decreases; the district's wealth compared to that of other communities; the number of students in special education and the number at-risk due to poverty; the district's current spending level as compared to its adequacy budget -- a district's adequacy budget is the expenditure level that the formula says is necessary for it to provide a thorough and efficient education; and whether the community's school property tax levy is above or below its fair share -- that's the amount the formula says it should contribute towards that budget.

Instead of looking for a new way to distribute State aid to school districts, I implore you to fully fund the State school funding formula. The reduction of the funding of the formula is detrimental to our schools, and especially to the urban areas. This will have a negative impact on lower-income students in these areas.

Let's take a look at the history. It seems we will be taking a step backwards instead of forward by trying to change the formula. In 2002, chronic revenue shortfalls in New Jersey all but abandoned, then, what was called the *Comprehensive Educational Improved (sic) and Financing Act* formula. The result was six years of stagnant State aid that did not keep up with the rising costs in many districts. That formula was declared unconstitutional as applied to the 31 Abbott districts.

The SFRA, 2008, was designed to apply to all school districts, Abbott and non-Abbott. One of the Administration's methods to attain a constitutionally valid funding formula is by giving added weight to the education of at-risk students, nearly half of whom live in non-Abbott districts. Additionally, the system will distribute a larger share of State aid on an equalized basis, and less on a wealth-blind categorical basis.

The rationale of the Governor and Senator Sweeney may be to benefit the taxpayer, but at what cost to the students and the districts? So it is not a one-time fix; it is a long-time problem. And the best way to fix this problem is to fully fund the formula the way that it was intended, and stop using the money, that would go to other things, and provide the money for the education that we promised these children.

Tax money or incentives should not be applied to any non-public schools that do not meet the same standards and requirements of the Department of Education. If a private charter school receives State funds or taxes from tax incentives, they must adhere to all the rules and regulations of the Department of Education.

The money must be found and the formula must be funded. The charter school education must be maintained with the same standards

as the public school system. New Jersey is one of the top states in the nation in education.

I would thank you, and hope this Committee will continue to use the school funding formula to maintain a great New Jersey public school.

Thank you.

ASSEMBLYWOMAN CARIDE: Thank you, Mariann.

Does anyone have any comments or questions? (no response)

Mariann, thank you so much for joining us this evening.

MS. KRONYAK: Thank you; take care.

ASSEMBLYWOMAN CARIDE: Is there anyone who wishes to address the board? We've gone through the list of individuals who had signed up to speak; I don't know if there is anyone in the audience who would like to share any thoughts with the board. (no response)

Then I guess we can call it an evening.

Ladies, and gentlemen, thank you so much for joining us.

ALL: Thank you.

ASSEMBLYWOMAN CARIDE: Oh--

MR. BENNETT: (off mike) I (indiscernible); but if allowed, I would, actually, have more comments.

ASSEMBLYWOMAN CARIDE: Mr. Bennett, we're going to get your comments in writing.

I appreciate it; thank you.

Ladies and gentlemen, thank you so much for joining us this evening. I appreciate your thoughts and your comments; and hopefully, we'll see you soon again.

Thank you.

And to my colleagues, thank you so much for joining us; and we have another one next week.

Thank you, everybody.

**(MEETING CONCLUDED)**