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# *Public Hearing*

before

## THE SENATE SELECT COMMITTEE ON SCHOOL FUNDING FAIRNESS

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

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**LOCATION:** Cliffside Park Municipal Complex  
Cliffside Park, New Jersey

**DATE:** February 14, 2017  
11:00 a.m.

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

Senator Stephen M. Sweeney, Chair  
Senator Joseph Pennacchio, Vice Chair  
Senator M. Teresa Ruiz  
Senator Paul A. Sarlo  
Senator Steven V. Oroho  
Senator Samuel D. Thompson



### **ALSO PRESENT:**

Kathleen Fazzari  
*Office of Legislative Services*  
*Select Committee Aide*

Mark J. Magyar  
Elizabeth Mahn  
*Senate Majority*  
*Select Committee Aide*

Christopher Emigholz  
Rebecca Panitch  
*Senate Republican*  
*Select Committee Aides*

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

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STEPHEN M. SWEENEY  
*Chair*

JOSEPH PENNACCHIO  
*Vice-Chair*

SANDRA B. CUNNINGHAM  
MICHAEL J. DOHERTY  
STEVEN V. OROHO  
M. TERESA RUIZ  
PAUL A. SARLO  
SAMUEL D. THOMPSON

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

**PUBLIC HEARING NOTICE**

**The Senate Select Committee on School Funding Fairness will hold a public hearing on Tuesday, February 14, 2017 at 11:00 AM in Cliffside Park Municipal Complex, 525 Palisade Avenue, Cliffside Park, New Jersey 07010.**

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

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

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

Issued 2/6/17

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**SENATOR STEPHEN M. SWEENEY (Chair):** We want to thank everyone for coming.

This is our third meeting. We're going to add a couple more where we feel-- We talked to Senator Pennacchio; we want to get into Morris County and give the situation in Morris -- which is pretty much the same in every, single county: The system is broke and we need to fix it. And we are putting a major emphasis on school funding for one reason -- it's about fairness and, right now, there's nothing fair about what we're doing.

But I'm going to ask Senator Sarlo, as the host Senator of this town, to open up and introduce the Mayor.

Oh, we have to do a roll call.

**SENATOR SARLO:** Quick roll call; yes.

**SENATOR SWEENEY:** Roll call.

**MS. FAZZARI (Select Committee Aide):** Senator Sweeney.

**SENATOR SWEENEY:** Here.

**MS. FAZZARI:** Senator Pennacchio.

**SENATOR SWEENEY:** He's here.

**MS. FAZZARI:** Senator Sarlo.

**SENATOR SARLO:** Here.

**MS. FAZZARI:** Senator Oroho.

**SENATOR OROHO:** Here.

**MS. FAZZARI:** Senator Thompson.

**SENATOR THOMPSON:** Here.

**SENATOR SWEENEY:** And Ruiz.

**SENATOR SARLO:** And Senator Ruiz.

MS. FAZZARI: Senator Ruiz.

SENATOR RUIZ: Here.

SENATOR SWEENEY: Okay.

Go ahead.

SENATOR SARLO: First of all, thank you, Senate President; thank you to my colleagues from around the state, some who serve on the Budget Committee with me. And our work is about to begin, in the coming weeks, as the Governor introduces the budget.

I want to thank the Chair of the Education Committee in the Senate, Senator Ruiz, for also being here.

Senate President, thank you for giving me the opportunity to come to my District -- Cliffside Park, in particular; a town that has grown since--

Let me just back up for a moment. For those of you who don't know, in 2009, in a bipartisan manner, we enacted the School Funding Reform Act. And ultimately, it was found constitutional. But at that time, there were some provisions put into that formula, including a hold-harmless provision and language, in order to get -- literally, to get enough votes to get the Bill out of the Legislature and onto then-Governor Corzine's desk.

Ultimately, though, the State Supreme Court found the formula constitutional, and told us to fund it. Unfortunately -- and this lays at all of our feet, Republicans and Democrats, Executive Branch as well -- it has not been properly funded.

But before we can properly fund it, we need to get rid some of the provisions that have been put in place, including the hold-harmless and the growth cap. These are two provisions that really need to be eliminated

before this Legislature, working with the Executive Branch, can fund -- properly fund this formula.

The time has come; and towns like Cliffside Park-- You're going to hear from Little Ferry; you're going to hear from Lodi; you're going to hear from Wallington in this part of the state. We were down in Senator Sweeney's District; we heard from towns down there -- the pain that they're suffering and the growth that they're experiencing; the wonderful growth that they're experiencing as a community. Little bit different in that part of the -- we drove for miles before we got to the school. There were really no good Italian delis near the school (laughter); to the folks in Cliffside Park, we can walk to them all here. A little different.

But I want to thank you all for coming to Cliffside Park; and we're going to open up with that panel.

So if it's okay, Senate President, I'd like to bring them up, the first panel.

SENATOR SWEENEY: Sure.

SENATOR SARLO: The first panel up is Mayor Thomas Calabrese, the Mayor of the Borough Cliffside Park; he will be joined with Joseph Rutch, the Borough Administrator of Cliffside Park; along with Mr. Michael Romagnino, the Superintendent of Cliffside Park.

So if the three of them could come on up, we'd appreciate it

Before I open up to the Mayor-- If I may; he would not share this with the Senators, but I think it's fitting.

Tom's dad is the longest-serving Mayor in the State of New Jersey; 52 years. And we were just talking, in the back-- When he graduated from high school, he literally walked down the street, enlisted in



the Navy, and went off to World War II. He came back here, then went on to Saint John's University; had a great college basketball career, and then was the 13th overall pick, and played professional basketball. And then he returned back to Cliffside Park and became Mayor. Talk about public service.

When I first got elected to the Legislature 14 years ago, you came to Cliffside Park -- the line would literally be around the building for people who just wanted to come and say hello and talk to the Mayor. And that's the type of person he was. He never turned-- It wasn't the days-- You didn't rely on e-mails, or the Internet, or social media; he met with them and shook their hand. They didn't always like what he told them; but he met with them, and he shook their hands. And it's really a credit to the caliber of his family, to Tom -- you and your brother, Jerry, and everybody else up here. The people of Cliffside Park have benefited.

But we have to do our job; we have to help you as well. And right now, you're short about \$1.4 million immediately.

**MAYOR THOMAS CALABRESE:** Thank you, Senator.

Dear Senators, it is an honor and a privilege to be the host community of today's hearing.

I want to thank you all for bringing the issue of school funding to the forefront for discussion.

In local government, there are many, many challenges with regard to education, infrastructure, and public services. All of them are an integral part of the quality of life in our local communities. There is nothing more important than the education of our children.

There have been no additional funds provided for the State of New Jersey to support public education in close to a decade. During that time, we have seen significant growth of our school population, thus placing a heavier burden on our local property taxpayers.

The information provided to me through Senator Sarlo's office shows that if the proposed formula is followed, Cliffside Park would immediately receive \$1.4 million more in State aid for our school district; and over a few years, Cliffside Park would receive an additional \$3 million, on top of the \$1.4 million.

We, of course, want to see more school and municipal aid from the State of New Jersey. Our quality of life in New Jersey begins with a great education. Therefore, we need the ability to provide that education in partnership with our State government. If we are fortunate for this reallocation of State funding to prevail, it will provide a major tax relief to our local property taxpayers. It would also provide for expanded programs and services for students, which our Superintendent of Schools, Michael Romagnino, will address momentarily.

So I just want to give a special thanks to Senator Sarlo for deciding to come into Cliffside Park. We really could use your help; and if this goes through, we would thank you from the bottom of our hearts.

Thank you guys, very, very much.

Thank you.

SENATOR SWEENEY: Superintendent.

SENATOR SARLO: Superintendent

**M I C H A E L J. R O M A G N I N O:** Thank you for the opportunity to be here today.

On behalf of the Board of Education and the Administration, I would like to welcome everyone to the Cliffside Park School District.

Let me begin by giving you a brief overview of our District. There are currently 3,200 culturally diverse pre-K through 12 students in four elementary schools, a grade 7-8 middle school, and a 9-12 comprehensive high school comprised of both Cliffside Park and Fairview students. Our students come from homes where 30 different languages are spoken, and 57 percent of our students receive a free and/or reduced lunch on a daily basis.

Students, each day, are given the opportunity to learn in a safe and secure environment, where they are offered curriculum opportunities serving all academic levels and a wide array of core curricular and athletic programs.

As Superintendent of Schools, I am very grateful for dedicated principals, supervisors, teachers, and support staff, who not only administer and instruct, but mentor, counsel, and serve as role models to our students. As a result, I am happy to report that each year our standardized test scores and high school graduation rates continue to show marked improvement. The quality of services that we are able to provide all of our students -- especially in the areas of special education, ESL, and pre-K -- is outstanding, despite limited funding.

With our many successes come many challenges. In 2011-2012, we served 2,775 students. Next year, we are projecting an enrollment of 3,280, a growth of over 500 students. Despite this growth, we have seen little or no change in State aid funding. This growth, and the Department of Education mandates, have put a tremendous strain on our school budget,

which often requires us to make budgetary decisions that negatively impact our educational programs.

Fortunately, with the strong support of our Mayor and Council, and school and community, we have been successful in passing our school budget the last few years. But with restrictive budget caps, it is not enough to continue to provide our students with a thorough and efficient education without an increase in State aid.

To supplement our lack of aid, the Board of Education, Borough officials, and I are always looking for or seeking alternative funding. As an example, we provide transportation services for neighboring districts; and we are currently the recipients of the 21st Century Community Learning Grant, which provides funding for afterschool and summer programs to over 600 students. Although these funding options assist us in providing additional revenue, they do not replace the need for additional aid.

So what would additional aid do for Cliffside Park? One, reduce class sizes, resulting in a more efficient delivery of academic services; two, allow us to provide or add additional classroom space for our growing population; three, update many of our current facilities, such as our media center, science labs, athletic facilities, and maintain our aging buildings; four, provide for small group instruction for our academically challenged, special education, and ESL populations; five, allow us to offer additional relevant courses for our middle school and high school students in order to prepare them for college or the workforce; six, keep pace with the ever-changing world of technology; and seven, continue to provide instructional

support and resources through curricula that meet the rigor of the New Jersey Student Learning Standards.

In closing, a fairer, more equitable reallocation of State aid would greatly assist Cliffside Park in facing our many educational challenges, and provide our students with the services they need and deserve while being fiscally responsible to our local taxpayers.

Thanks again for the opportunity.

SENATOR SWEENEY: Any questions?

Senator Thompson.

SENATOR THOMPSON: Did I understand you correctly to say you currently have something in excess of 2,700 students, and next year you're expecting an additional 500?

MR. ROMAGNINO: Currently, we have 3,200; and what I said is, since 2011-2012, when our enrollment was 2,775--

SENATOR THOMPSON: Oh, okay.

MR. ROMAGNINO: --next year, we're projecting 3,280. So it's a growth of about 500 students.

SENATOR THOMPSON: Okay; I misunderstood. I thought you were saying you were expecting, in one year, that growth. (laughter)

SENATOR SARLO: In five to six years.

MR. ROMAGNINO: Five to six years.

SENATOR SWEENEY: Senator, with no funding.

MR. ROMAGNINO: With no additional funding.

SENATOR SWEENEY: With no additional funding for those children.

MR. ROMAGNINO: Yes.

SENATOR SWEENEY: So the local taxpayer is paying 100 percent of that cost.

MR. ROMAGNINO: Or provide less services.

SENATOR SWEENEY: Or less services.

Senator Pennacchio.

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

You had touched upon some of the burdensome State mandates that you have to deal with. Could you share some of those mandates where you don't think that you have to -- you would like those mandates to go away? Because it's just as easy to save a dollar as it is to try to get an additional dollar into your budget.

SENATOR SWEENEY: And Mr. Superintendent, we say this quite often -- two Superintendents-- As Senator Pennacchio said, if we're writing -- mandating things that sound good, but don't have any real impact on education, but it's just more red tape, we'd love to look at it. Because red tape -- stuff that doesn't help, it just costs money and doesn't provide any benefit -- we need to know.

And Superintendent, so you could -- if you would like -- if you want to, off the top of your head; but if you could, you could also give the -- e-mail this panel a list of recommendations, also, that you see as problematic.

MR. ROMAGNINO: I would like a little time to think about that, and I would e-mail the panel.

SENATOR PENNACCHIO: And if I may, if we could get to expand -- not to be redundant in my questioning -- but all the

Superintendents, and people who are coming up and testifying, -- if you could do what the Chairman said: Just share through e-mails what you think is burdensome, because I have a feeling there's going to be some similarities in some of those e-mails, and maybe we could address those cost drivers.

MR. ROMAGNINO: Okay; thank you.

SENATOR SWEENEY: Senator Sarlo.

SENATOR SARLO: Yes, I-- And I think, for the panel -- think about those 500 students since the 2011; five or six years. And I know they need the money. But I want to tell you something. I've been in these schools. It's a credit to this Superintendent; I see Councilman [Martinotti](#) here, he's also a teacher. These schools are immaculate; you could literally eat off the floors. They're safe; they have some of the best and brightest students going to some of the best colleges. You make it work; you make it work.

We're not feeling sorry for you, because you do make it work. But at the end of the day, you need the money. You do an amazing-- Your staff does an amazing job getting these kids ready for schools, intramurals, sports. But it's a lot of money that's being left on the table for the kids of Cliffside Park, and the local taxpayers are footing the bill.

MR. ROMAGNINO: That's true.

SENATOR SARLO: Shame on all of us, because we need to fix that.

MR. ROMAGNINO: Absolutely; thank you.

SENATOR SWEENEY: Mr. Superintendent, if I could ask -- if you know, off the top of your head. What does it cost, per child, to educate -- cost per child in the district, a year?

MR. ROMAGNINO: I think it's somewhere between \$13,000 and \$14,000.

SENATOR SWEENEY: So, say \$13,000 times 500.

MR. ROMAGNINO: It's a lot of money.

SENATOR SWEENEY: Yes; it kind of puts it in its right perspective, you know?

MR. ROMAGNINO: Exactly.

SENATOR SWEENEY: And the nice thing with this panel is, we're looking at this together, we're working together; we want this to be very much a bipartisan solution at the end of the day.

MR. ROMAGNINO: Very good.

SENATOR SWEENEY: Any other questions?

SENATOR PENNACCHIO: If I can just--

SENATOR SWEENEY: Sure.

SENATOR PENNACCHIO: --finish complimenting you. Because I understand the State average is, what, about \$18,000 per child? So you're giving a quality education at Cliffside Park, and you're saving the taxpayers \$3,000 each. So that should be also commendable to you, and to all the people who are struggling trying to do exactly what you're doing.

MR. ROMAGNINO: It's everybody in the town, who work together to achieve that.

SENATOR PENNACCHIO: Thank you.

SENATOR SWEENEY: And we were running some numbers.



If we were really funding the formula properly -- and there are other areas that we need to fix, like special education -- this county's aid would double; the county's aid would increase by \$212 million. We're talking about a lot of money--

SENATOR PENNACCHIO: A lot of money.

SENATOR SWEENEY: --if we-- We need to get this straight.

But no other questions? (no response)

SENATOR SARLO: Thank you.

MR. ROMAGNINO: Thank you.

SENATOR SWEENEY: Thank you; thank you.

Next-- And I'm warning you right now, I butcher names. In fact, you call them up.

SENATOR SARLO: Yes, a lot of Italians up here in Bergen County. (laughter)

SENATOR SWEENEY: I'm half Italian, Paul. (laughter)

SENATOR SARLO: The next panel will be from the Borough of Little Ferry: Ms. Paula Cozzarelli, the Borough Administrator; along with the Superintendent of Schools, Frank Scarafile -- Frank's here; and also from Little Ferry, Dennis Frohnapfel -- Dennis is here, come on up.

And I also want to bring up -- is Wallington, James Albro here yet? Oh, that's our Superintendent of Schools from the Borough of Wallington.

We'll let Little Ferry go first, and then Wallington.

SENATOR SWEENEY: One second; one question.

SENATOR SARLO: He's going to put time limits on everybody.

SENATOR SWEENEY: No, no. Dennis, did he say your name right?

DENNIS FROHNAPFEL: No.

SENATOR SARLO: No.

SENATOR SWEENEY: Thank you. (laughter) That's all I wanted to know; I feel better.

Paul, I had to.

But what the Senator did say is there is a light in front of us, so we're not interrupting people as they speak. It's normally a three-minute -- it's a three-minute time limit. When you see it hit yellow, that means you have 30 seconds to try to summarize. We're not going to cut people real short; but if you can try to keep it in this timeframe.

So whoever is going to start.

SENATOR SARLO: So Mr. Mayor, if we can start with Little Ferry, and then we'll go over to the Borough of Wallington.

PAULA COZZARELLI: Sure. Thank you so much for allowing me to speak today on behalf of the approximately 11,000 residents and 250 commercial property owners who I serve every day in the Borough of Little Ferry.

I just think it's important to provide a little bit of background about the Borough of Little Ferry and the people who live there.

This is a generational town; this is a town that people have great pride in calling their hometown. This is a town where -- when I first came in and started meeting some of the residents -- I have learned that they're on their fifth and sixth generation, raising their family there.

Little Ferry suffered greatly during Hurricane Sandy. During that time, this community fought together to support each other like never before. As a result of Hurricane Sandy, what has happened -- it's not only the rebuild of the Borough, but it's also the loss of net valuation to the residents there.

From 2012 to 2016, the net valuation has decreased by 18 percent. This has greatly hurt residents; those who are trying to sell their homes, those who are coming in. It is a roadblock that we continue to fight, but we're climbing out of it, slowly but surely. But, as always, the Borough needs financial support.

And of course, the financial support comes, here, also in the educational relief for our residents. We have quite a few residents in our town who are coming in from different backgrounds, who have different requirements of services that I will let our Superintendent discuss with you today. But just looking at the uncapped aid figure -- in terms of this sheet that I've been provided with -- that would result in an incredible tax relief to our residents, allowing them to continue to rebuild, allowing our youth to receive services that are particularly programmed for their needs, and for the needs of the Borough. We're looking at a 22.4 percent tax property decrease, if we were going for the uncapped aid amount; which, in comparison to what our current aid is -- to what that uncapped figure is -- we're looking at \$7.4 million. That would be an incredible relief to our property taxpayers, as well to our commercial entities and, most importantly, in the education of our youth in Little Ferry.

I ask that you look at Little Ferry in terms of a funding formula that -- I have a very high level of confidence that whatever funding is provided to Little Ferry, you are going to see real results in our Borough.

I appreciate the time for you to listen to me today; and I am going to introduce Frank Scarafile, our Borough Superintendent.

**F R A N K R. S C A R A F I L E:** Thank you very much; and thank you for the opportunity to speak.

**SENATOR SWEENEY:** That's the microphone (referring to PA microphone)

**MR. SCARAFILE:** Is this the dead one? (referring to PA microphone)

**SENATOR SWEENEY:** No, they are--

**SENATOR SARLO:** That's the live one; the little ones are live on the Internet.

**SENATOR SWEENEY:** They're Internet; they're streaming. That's the live one.

**SENATOR SARLO:** You're streaming live.

**MR. SCARAFILE:** Streaming live. I yelled at somebody; I'm sorry, sorry. (laughter)

Okay; I thank you for the opportunity to speak today.

I think it's important that -- the work you're doing is great for education. I attended -- I guess it was last week, or the week before, at the Freeholders Chamber -- there was an Assembly Committee; basically the same. And I only went just to see what this was all about. Again, you get a little skeptical--

**SENATOR SWEENEY:** Sure.

MR. SCARAFILE: --you say, "All right, they're going to talk about it; but what's really going to happen?" But I could see both panels really wanting to make some significant change.

And I know school funding's been a real tricky process in New Jersey for many years. I started out as a high school Principal in Union City, where I grew up. And that was an Abbott district at the time. And I recall that there used to be some really tight constraints on Abbott districts. Even though the money flowed in pretty freely, as a Principal I had to defend everything in that budget. There was a panel of people from the State that used to pick my budget apart and ask me questions to make sure what I was funding was actually going to happen. And at the time, I thought it was good; what happened to it, I don't know -- as everything else. And again, then we started having the funding issues.

I arrived in Little Ferry in 2003. At the time, the budget was a \$15 million budget. There were 41 different languages spoken at home there. But again, it was a small population, and we really didn't have to deal with a lot of different supports at the time.

But we're also not only responsible for 1,000 students who we educate, pre-K-8; we do have a full-day kindergarten, which a lot of school districts still don't have in this state. We do offer pre-K, which we had to start a subscription for it and have the parents pay, only because it became unaffordable. But again, it's a great tool to have, and giving their kids their head start, it's worth it.

But we're also responsible for over 400 high school students who we send out, for tuition, to Ridgefield Park.

So in terms of listening to districts that I've heard testify in the past, this is kind of an anomaly. You don't hear too many of us out there that send our kids elsewhere. So with the 2 percent cap, what the restrictions have been, you have your number-- And I would love to call Paula up, and say, "Paula, you know what? Things are going real well; I'm going to give you a tax holiday. I'm going to keep it flat this year." Unfortunately, I get the increase from the high school, and that eats up a good percent of my 2 percent. So if I continue to go that way, I'm going to be in a lot of trouble.

We were really working very well, efficiently; we lost-- Our budget -- our cap number, or our State aid number -- has been relatively flat since I've been here, except for the one year, in 2009-2010, when we lost 5 percent of the budget; we lost \$880,000 that year. It took us until this year to recover and fill back those positions that we lost. And now we're starting to feel the strain again.

Paula already touched upon the send/receive relationship -- what makes it difficult.

But let me talk to you, programmatically, what it would mean to our District.

Bilingual education is something that is coming fast and hard. We have had a big increase in the Middle Eastern population; Arabic is becoming a prominent language, where I'm not going to be able to get a State waiver anymore; I am going to have to provide them a bilingual education. That is going to be very difficult.

Also, updated materials to support our many English Language Arts and math initiatives would help. You are obviously aware of the Next

Generation Science standards. We are putting together, in the K-5, what we're responsible for; we've already taken care of it in 6-8. But that's eating a big part of next year's budget -- to try to keep up to date.

Modern up-to-date science labs would be a welcome addition; a modern arts suite would be great. With the specialized populations we have, there is more need for small group instruction. So even though our populations are growing in leaps and bounds, the specialized populations have made it difficult to deal with space issues.

An example of some of this stuff that we're doing, to do more with less: This past year, we eliminated the position of Guidance Counselor, simply because I have found that the children are coming with a lot of social and emotional baggage. So we hired a licensed Therapeutic Social Worker; and we now have an agreement with Ridgefield Park -- a shared service agreement to use a guidance counselor there a couple of days a week to supplement that position.

We're really good at squeezing nickels in Little Ferry. As I mentioned before, we have full-day kindergarten; we've continued to fund that. State aid would help us; our community is definitely overtaxed. They have been nothing but troopers. This is a true, blue collar town that is pro education. They work hard; they've given me everything I've asked for. We've voted on budgets; we passed seven straight, and some of them were really difficult for them.

We pay more, as taxpayers, in Little Ferry to education than some of the existing old Abbott districts pay, total, from their taxpayer contribution. That's criminal; that's something that really has to be looked at.

And again, I said I don't have the luxury of giving them a tax vacation, but there are many communities in south Bergen County that have changed drastically since the inception of even this formula. Little Ferry had 10 percent of its population free and reduced lunch when I started in 2003; today it's 43 percent and growing; yet the State aid hasn't grown with it. We're receiving less now than we did in 2009-2010. So it's a long time in coming.

In closing, I'd really like to thank you for hearing us out. I tried to be short and concise; I pretty much put it together in writing for you. And I will take the opportunity to give you some ideas of some unfunded mandates that really tie the hands and make it difficult to operate.

I really appreciate you guys -- ladies and gentlemen -- doing this; because it's a long time in coming, and the time is now. And I think you realize that.

Thank you for your time.

And if anybody has any questions--

SENATOR RUIZ: I have a question.

SENATOR SWEENEY: Senator Ruiz.

SENATOR RUIZ: Can you talk to me about your setup for the preschool program; how is it currently run--

MR. SCARAFILLO: Okay. What we had--

SENATOR RUIZ: --and how many students you have enrolled?

MR. SCARAFILLO: When we were in a cohort -- with Cliffside Park -- in the Early Launch to Learning Initiative, we got started with that, probably back in 2005-2006. We had a very small pre-K; we had 10 kids.



We got it up to -- as the aid number went up with that grant, I had it up to, maybe, 65 or 70 children out of a potential pool of, say, 100, 110 kindergarten children. So about 60 percent of the preschool universe was being serviced at the time.

Today, due to cuts and everything else, I'm probably at about 45 regular ed, and probably 16 special ed. We run a half-day program for the regular ed; and we have an overflow, full-day special education, and then some half-day sections.

SENATOR RUIZ: And it's through a lottery?

MR. SCARAFILE: Through a lottery.

SENATOR RUIZ: Okay.

MR. SCARAFILE: That's basically it. Now--

SENATOR RUIZ: And you say parents pay?

MR. SCARAFILE: Parents pay now, and it's--

SENATOR RUIZ: Is it a sliding scale?

MR. SCARAFILE: Yes; because of the grant, naturally, we're able to fund free and reduced -- reduced at a reduced rate; free is free. But nobody pays more than \$200 a month, which we think is pretty reasonable.

SENATOR RUIZ: And I digress a little, but I think this is important because, obviously, if we defund the school funding formula, preschool programs across the state will not grow; which the intent was to have preschool programs grow as part of the funding formula annually, if we ran it at 100 percent.

And it's something that is special to me. The Senate President and I have been working on a special bill package that would really, at some

point, I think-- My dream would be to have universal, free preschool in the State of New Jersey, because our families have changed dramatically.

MR. SCARAFILE: Absolutely.

SENATOR RUIZ: And as someone who has a 4-month-old at home, just looking for daycare really can cost you a first, full-year tuition at some of our State institutions. And it's an extraordinary burden on families.

And I'm fortunate to be able to do what I have to do to provide for my child; but we have a lot of families that live paycheck to paycheck. And it's a great initiative that the District took on.

If you were able to provide a slot to every child, how many students would you see enrolled in the preschool program?

MR. SCARAFILE: Preschool would probably be upwards of 100 per year. And we were-- Again, being that I had that little Abbott background, I watched how they do it in the cities.

SENATOR RUIZ: Right.

MR. SCARAFILE: We didn't have the space, naturally, to house them. But the money we got from the (Indiscernible) grant -- I was able to provide a tuition to the local providers and then--

SENATOR RUIZ: So you did a private-public partnership?

MR. SCARAFILE: --work out a deal with the wraparound services so that the parents didn't have-- They dropped their child off in the morning, and they would get their education--

SENATOR RUIZ: After work.

MR. SCARAFILE: --and in the afternoon, they would get those services. So it worked out really well. We were very innovative with that.

And unfortunately, when that funding, kind of -- when we got crushed with losing \$880,000 in State aid, something had to suffer, and that was one of the things that really hurt to do. But we've subsequently built it up to the point where I can house them now. I can't go any higher because of space concerns; but I would absolutely consider expanding.

SENATOR RUIZ: Do you ever see the District building its own high school?

MR. SCARAFILE: Funny you say that. (laughter)

Well, obviously one of the problems we're having now is our partner, Ridgefield Park, has basically hit what you have heard--

SENATOR RUIZ: Capacity.

MR. SCARAFILE: --is the *fiscal cliff*; where they are in deficit.

The problem I have is, when I speak to my taxpayers -- I'm paying almost \$5 million a year to educate 350 students in the high school. I think I could do a better job, personally, of managing those costs if I had the opportunity to take care of it.

We are -- I'm letting the cat out of the bag, because we haven't even broached this with the Borough Administrator or the Mayor yet (laughter) But our Board is prepared, we're prepared, at our subsequent meeting Thursday night, to discuss with our Board the first -- of having an informal meeting with the Council reps to discuss this very issue with them. Because when your tuitions are going up \$300, \$400, \$600 a year per student, it becomes a big burden. And that 2 percent gets eaten up pretty quick by somebody else. And I don't even get the opportunity to spend it at home.

SENATOR SWEENEY: Senator Oroho.

SENATOR OROHO: Just one thing to keep in mind, as we go forward.

I mean, it might be-- From a parochial perspective I want to congratulate you on the shared services that you've done. I think one thing we have to keep in mind is, that we would probably need more shared services around, as opposed to-- Education is -- obviously, you're the experts -- but is changing. But the idea that you've looked to partner with your surrounding communities -- I think that's very commendable.

MR. SCARAFILE: Thank you.

SENATOR OROHO: I know there are probably some additional things that you'd like -- that we'd like to have here. But also we have to look at it as efficiently as possible for education for all.

SENATOR SWEENEY: Senator Pennacchio.

SENATOR PENNACCHIO: Thank you, Chair.

I heard, with interest, when you were talking about means testing; and how these parents, even if they're struggling, they have to pay something in order to get into the pre-K program. I would hope that somebody could enlighten me-- In some of these districts where they are State sponsored, it's basically done by zip code. So you could have a very wealthy person, living in a very wealthy building, getting into their very wealthy car, and dropping off their children; and having the State pay for it. Am I off by saying that?

SENATOR RUIZ: No.

SENATOR SWEENEY: No, you're not.

MR. SCARAFILE: Well--

SENATOR PENNACCHIO: That's something that we may want to consider -- is also means testing those (indiscernible).

Listen, I don't deny any child the ability to either have a breakfast or a lunch; and if there is a pre-K program that we can enhance or enrich, that's great. But it just doesn't seem fair that while you struggle with parents because of your zip code, who have no better means than parents -- worse means than parents who live in another zip code-- There's something inherently wrong about that.

MR. SCARAFILE: Right. And it's a shame that the program has shrunk.

But talking about shared services, I think Little Ferry would be, probably, one of your great examples of the schools in the community working together. Because we house every rec program--

SENATOR PENNACCHIO: That's good.

MR. SCARAFILE: Boy Scouts, Girl Scouts -- anything the Borough needs, we're there for them.

SENATOR PENNACCHIO: That's good.

MR. SCARAFILE: They're the taxpayers; I mean, they're paying for the facility. They have their elections out of there. There are no overtime charges; we don't play that game. We do what we have to do to make it work. As a matter of fact, after the storm, probably one of the best achievements was -- the building was pretty devastated, except for one wing. We were able to hold -- because that happened a week before an election. We didn't even have to displace them out of town. We made it work within our school, so that the residents weren't inconvenienced.

SENATOR PENNACCHIO: That's good.

MR. SCARAFILE: So whatever we have to do to make it work, we make it work.

SENATOR PENNACCHIO: That's good.

SENATOR SWEENEY: And just for us up here -- there are 70 towns in Bergen, right?

SENATOR SARLO: There are 70 towns; that's correct.

SENATOR SWEENEY: This is the second-lowest funded town in Bergen County; they're funded at 16 percent of what they should be getting.

MR. SCARAFILE: And I'm saying we're probably paying between \$12,000 and \$13,500 per student.

SENATOR SWEENEY: Right.

MR. SCARAFILE: What skews the cost, naturally, is paying for the high school students.

SENATOR SWEENEY: Understood.

SENATOR SARLO: Yes, that's the skew there.

MR. SCARAFILE: That's--

SENATOR SWEENEY: Senator Sarlo, who is going next?

SENATOR SARLO: That's Little Ferry.

Would you like to say anything? Board of Education, you're--

MR. FROHNAPFEL: He's covered everything.

SENATOR SARLO: He's covered everything; okay.

So we heard from Little Ferry; I'd like to hear, now, from Mr. Albro, who is the Superintendent of Schools in Wallington.

Another district that we actually have helped in previous years with some rim district money. In Appropriation, we put a one-time

appropriation in. And I'll leave it to the expert to talk about Wallington, and the good stuff that they're doing in Wallington.

**JAMES J. ALBRO:** That's absolutely true.

And I'm going to talk about our status as an Abbott rim district as well.

So first of all, thank you on behalf of my Board of Education and myself, for having this hearing here today.

I did testify a couple of weeks ago at the State Assembly Education Committee hearing. I was happy to do that, and I'm happy to offer my testimony on behalf of my Board to you today.

I have it also in writing, if you do want a copy of that before -- you're going to take that now? -- so you can follow along.

And I'm just going to give you some highlights of what's already in my written testimony to all of you.

So I thank you, again, for putting, I guess, some names and some faces to what is really a big problem in the State of New Jersey right now.

So let me tell you a little bit about Wallington, for those of you who don't know who we are.

Wallington is about a one-square-mile community in the southern end of Bergen County. We are a District Factor Group B, with A being the lowest, as far as socio-economic standing. We have been designated, as Senator Sarlo just mentioned, as an *Abbott rim district*. There are a couple of reasons for that designation -- the primary reason would be for our proximity to two former Abbotts, and we border Passaic and Passaic County; we also border Garfield in Bergen County. When you border

communities like that, with very similar district factor grouping, you share a lot of socio-economic status with them. And there is a lot that goes into that. We share a high rate -- as you've heard from the two previous districts that testified before you -- a high rate of students who qualify for free and reduced lunch; we're over 35 percent, at this point, in our community for students that do qualify for free and reduced program. We have a high ratio of non-English speaking students in our District, and traditionally have had that -- mostly Eastern European, primarily Polish-speaking students. And that has been for many, many years now.

And we have similar numbers of at-risk students -- students who are special needs, disabled in many ways -- or, in some ways, at least -- who have other at-risks status. And we share those similarities with towns like Garfield, and with towns like Passaic.

Yet, despite having that kind of a designation, we receive no additional funding. We are funded the same as any other regular operating district would be funded in Bergen County.

Wallington is, essentially, treated like all these other regularly operating districts in the county; no additional discretionary funding is forwarded our way, unless we do have the good graces of somebody like Senator Sarlo looking out for us. And he did orchestrate that -- I guess it was about 10 years ago now.

SENATOR SARLO: Ten years ago.

MR. ALBRO: Yes, when we did receive some funding that was very helpful for our District.

The District has traditionally been underfunded. Going back to the days prior to the School Funding Reform Act, we had the very dubious



and not-so-pleasant distinction of being a District that failed somewhere in the neighborhood of 35 budgets out of 40 years -- 29 straight; which, believe or not, is not a record, I found out. But it's not something that we're very proud of. But we were underfunded prior to the School Funding Reform Act -- that was never actually funded -- for a District like Wallington. So we were kind of behind the eight ball from the very start; yet, we still continue to provide a good education for our students, and we're very proud of that.

So adding programming to our District and growing our District has become increasingly difficult, and largely impossible in many ways. Without an increase to State aid, without the reallocation of State aid for districts like Wallington, and with the 2 percent cap on spending, we really just have no ability to increase our programming. We have very little ability to add or update our facilities, which are aging; and we've just recently closed one of our facilities, which was over 100 years old, in favor of renting a parochial school that had closed the same year.

So it's already adding to our already overburdened taxpayers -- as everyone here has testified before you -- to make up the cost that we need to make up.

Wallington is also a growing community. In the last-- I've been Superintendent here for three years; I was a teacher and a Principal in the District prior to that. In the last four years, we've had over a 10 percent increase in our population, with no significant State aid increase. And that has all fallen onto our taxpayers' shoulders. Part of that is due to the closing of a parochial school in the community, but there was a lot more who came in as well.

So it's important, I believe, for the members of this Committee to take a hard look -- which I think you're doing -- at the manner in which funding is allocated in Bergen County, and Wallington, and in other districts in New Jersey. There are special needs that every district has, certainly, to be sure; and they are simply just not being accounted for currently. Certainly, where Wallington is concerned, we're not accounting for the special needs that that community does have.

Again, on behalf of my Board of Education, I do thank you for taking the time to listen to the testimony. I know that you're trying; I read the papers too. And I know you're trying to get it where it's more-- I don't think it will ever be fair, but it certainly can be more equitable than it is right now.

So I thank you.

SENATOR OROHO: Can I, just, one question--

SENATOR SWEENEY: Senator.

SENATOR OROHO: Just for all the Superintendents, or all the educational professionals -- the free and reduced lunch program, and the issue of the fairness about-- What's the best way -- and I don't expect an answer right now -- the best way to define *at risk* or the students who may need additional funding; as opposed to, like, maybe, the free and reduced lunch programs, something that might be a little fairer.

MR. ALBRO: To give you a short answer. What I would define as *at risk*-- There's probably a more clinical definition of it, but I would define as *at risk* are students who have a multitude of these factors weighing against them. They may be free and reduced lunch; they may

have special needs that make them qualify for special services of some sort. That, to me, is what an at-risk student is.

SENATOR SWEENEY: And--

SENATOR SARLO: Go ahead.

SENATOR SWEENEY: You know, we started this discussion over -- well over a year ago now. And we're not going to let up on it, just so you know. This is -- this school funding issue is one of the most important things. You know, property taxes is, obviously, high up on the list; and this is part of the reason property taxes are so screwed up.

And we're not going to let this issue go. And you know, I'm glad the Assembly is holding hearings; I would have loved for them to work with us. But you don't always get what you want in life--

MR. ALBRO: Of course.

SENATOR SWEENEY: --but what we do have, what we did want, is to keep this conversation going until we come to a solution. And this panel is very bipartisan, and we worked very well together, and we will continue to work well together. This was a unanimous vote to do this.

So we're going to work together, but we're not going to-- You know how you, like, talk about things, and then, "Whatever happened to that?"

MR. ALBRO: Yes.

SENATOR SWEENEY: You know, "Whatever happened to the conversation? Whatever happened to the issue?" It just went -- it became -- another issue came in front of it.

We're not letting this go; we're not letting this go.

Senator Sarlo.

SENATOR SARLO: Yes, to my colleagues -- and I think it's important.

This is a great little school district, Wallington. And let me tell you something. They, like Little Ferry, Cliffside Park; and you're going to hear from Lodi next -- I see the great Mayor from Lodi here, he's coming up next -- these four districts-- I mean, they are suburban districts, right? I mean, they do border the City of Passaic, Garfield, and some Abbott districts. But these are not wealthy-- These are hard-working, blue collar folks who pay out of their pocket for their children to go to school. And you know what? They're my constituents, and I will say, they do not complain. They haven't complained for years. They just do what they have to do. They go to work, they take care of their properties, they have safe schools, they have great leadership. But the time has come; it's just not fair to these people. These are hardworking people who go in their pockets -- they're paying 80, 85 percent of the school district -- the people of Wallington, the hard working people of Wallington.

And by the way, if you have some Polish friends coming over and you want to cater some good Polish foods, the best Polish food in the entire State of New Jersey -- and he can tell you every place in town, or you can just walk up and down the streets.

MR. ALBRO: You get me the funding I need, I'll bring you there myself. (laughter)

SENATOR SWEENEY: Senator Ruiz.

SENATOR RUIZ: Go ahead.

SENATOR SWEENEY: Senator Ruiz?

SENATOR RUIZ: No, go ahead.

SENATOR OROHO: The one thing, for Senator Sarlo -- you said it's interesting, because you look at the cost per child -- that, Senator Sweeney, you brought up -- in these school districts; they have done very well in trying to keep that cost per child down through many different -- whether it be through alternative funding, through cost sharing. Whatever they have done, you look at that cost per child -- it has been reasonably kept.

SENATOR SARLO: And Senator Oroho, just-- And I know you all are hearing it from here; but we're going to hear it -- we're going to go to Morris, you're going to hear it from all your Superintendents.

And I see -- I see Superintendent Albro at a bunch of sporting events. And you know what? He never complains to me; he just keeps-- And that's what they do. But it's our job now. We have to make it right because sometimes we put our heads down and say, "You know, I don't even want to look at the guy. I know he's underfunded by a lot of money."

SENATOR SWEENEY: Senator Ruiz.

SENATOR RUIZ: I just-- I want to add-- I don't know if-- I was a teacher, so I guess you can hear me; at some point, I can project. (referring to microphone malfunction)

I don't want to get caught up in-- It's admirable what the districts are doing with the cost-per-student. But I don't want to get into a conversation that cost-per-student is a cookie-cutter thing, that we can--

The school funding formula, when it was initially created, was to have the money following the child, so that every child had its intended resources invested in that child, regardless as to what district they were attending.

I also want to just take an opportunity, before we move to the other panel-- And I think it's a message -- I missed the second meeting that we had. When you engage in a new conversation about funding and about making investments in children, there are opportunities for mixed messaging that comes out of different factors. In this era of us having this discussion, let's be honest. There will be districts that, because they have been -- had that adequacy money that was plugged in -- if we were to come out with this initiative, they would potentially see a loss.

What I want to echo is -- my conversations with the Senate President, with many members of this Committee, is that we don't want to see any child hurt through this process. What we do want to see is fairness and equality in running the formula the way it was intended to run, before politics became part of the conversation to get a vote on the Senate floor to ensure that we had a new funding source. And everything that we do -- if this comes to fruition -- will be a five-year phase-up, or a five-year phase-out. And that during that timeframe, as long as I sit as Chair of the Education Committee -- or as a member of the august body in the Senate, and working with every single member here -- that regardless of what we do, if there is a district that gets impacted negatively outside of the school funding formula -- keeping that intact and what's it's intended to do -- that we will find ways to grant-fund those districts so that no child is hurt in this process.

Thank you.

SENATOR SWEENEY: And Senator-- Okay.

Senator Pennacchio; and then we'll go right down the line.

SENATOR PENNACCHIO: Thank you, Chair.

I just-- You touched upon, briefly, about special ed. Can you quantify what you get from special ed, and what you think you should be getting? Because that's an issue that really goes right to my core. There should be no difference -- certainly, no zip code should determine the type of level of remuneration that the State gives you for special ed.

MR. ALBRO: You know, we're remunerated at the same rate that anyone would be remunerated. It's a difficult question to answer, because the costs of special ed are getting so much greater every year, I really couldn't quantify it. My Business Administrator is behind me; he could probably do a better job than me.

But every year, every quarter, I'm finding there are more costs that we had not anticipated. Probably the most staggering cost with special ed students is-- We understand that students become classified, sometimes when they are within our District. But when students come from other districts and there's no warning as to whether we're going to get a classified student already in an out-of-district placement -- that is the most cost-prohibitive thing for us. We're such a small District, and we're so overcrowded now, I have no place to put students. We don't have a preschool program; I have no room for it. So all of my preschool disabled students go out of District, and that is a tremendous cost to my District, because we're required to spend for them.

SENATOR PENNACCHIO: Is it safe to say that special ed is a big cost driver in your budget?

MR. ALBRO: Yes, yes.

SENATOR SWEENEY: And Senator Pennacchio, we only fund special ed at 56 percent--

SENATOR OROHO: Yes.

SENATOR SWEENEY: --extraordinary special ed. So, you know, when we put this together, we made sure to address special education funding, because it is a big driver. And as you know, it's extremely personal to me. I don't want people who have children with disabilities to feel like they are the cause of a budget going bust.

MR. ALBRO: I agree with you.

SENATOR SWEENEY: It's insulting when that happens, because we want all children to have an opportunity to be productive.

And Senator Oroho.

SENATOR OROHO: Yes, just real quick.

I absolutely agree with Senator Ruiz, with respect to the issue of transitioning and making sure that we have the proper transition from one to the next.

However, because of the way the formula has been run or not run, there's been-- We always have to look at the cost; and there are two sides, the cost side and also the funding side. But unfortunately, there's been -- because of the hold-harmless and other things -- there has been some decisions that probably should have been made that have just been pushed off. And some school districts have had to maintain a reasonable cost-per-child, where others have been able to have a higher cost-per-child because they didn't want to make the decisions that were necessary.

So the fairness issue is going to have to, obviously, be addressed. But the financial advisor in me can't ignore the cost, as well as the funding side. There are two sides.

SENATOR SWEENEY: Senator Ruiz.



SENATOR RUIZ: I'm sorry; Senator Thompson.

SENATOR SWEENEY: Senator Thompson, and then we'll come to you.

SENATOR THOMPSON: Thank you.

I note in your written remarks you have one comment, there, that I don't think other districts are too envious of. You indicate that 35 of your 40 budgets have been voted down in recent years. Obviously, that has complicated your situation a great deal. I don't know how you managed to keep going with 35 out of 40 budgets voted down. You have a tough constituency out there.

Again, this is the Select Committee on School Funding Fairness. It is not the Select Committee on School Funding; they're two different things. School funding is how much money should be; and School Funding Fairness is how money should be distributed. And thus, we're discussing how the State money should be distributed; and of course, the cost is local and State.

And what we have to recognize is that while your local citizens pay your local property taxes, quite frankly, the State taxes are paid by the same people. And that's where the problem comes in. Your people are paying both the State taxes and the local taxes; and seeing that they get their fair share of it back is where the problem comes in. Thus, obviously, if some people are getting more back than their fair share, somebody is getting back less. So as it was pointed out, there will have to be some losers in this game, and it will have to be phased in over a period of time.

But that's what we're trying to address, primarily, here -- is to see that that money that goes into the State is coming from the same

taxpayers. We don't have a separate printing press. It doesn't necessarily relieve the burden on taxpayers in general, but it just helps the taxpayers who pay it get their share back of what they pay in. That's what we're trying to do today.

SENATOR SWEENEY: Can I just add one thing, since Senator Thompson said something?

You know, Senator Thompson, -- and this is by no means correcting -- but there are no losers in what we're trying to do.

SENATOR THOMPSON: I'm sorry?

SENATOR SWEENEY: There are no losers in what we're trying to do. We're trying to get everyone to 100 percent funding. You know, everyone says, "Run the formula, fund the formula," and, "Deal with special ed to make sure we fund that properly, and the other areas."

But at the end of the day, our intent is to get everyone to 100 percent funding within five years. And I don't know one person who is a loser if you're at 100 percent. You're a loser at 16 percent; you're a loser at 13 percent. Wallington, I think, is at 31 percent -- and that is being designated that *rim district*, that Senator Sarlo got you extra funding. You know, if we funded our schools properly, we wouldn't have to have all these special designations; we wouldn't have to have all these special pots. If the money followed the child and-- We know that the formula is not perfect; again, we know special ed is a big piece of it, and there are other aspects we have to look at. But nowhere did I ever see where districts should be 150 percent funded; or that anywhere it was written in the formula that it was okay for districts to be 13 percent funded. And that's on us, as a Legislature, to fix; because it was the Legislature that changed it.

But -- Senator Ruiz.

SENATOR RUIZ: I just want to add, since, you know, we're talking finances and money here, as well.

As long as I've been serving in the Senate -- and I think I'm going on nine year; I think it's about just nine years -- I don't recall-- Perhaps the first budget there was some investment made. Flat-funding to districts is a cut, let's be honest. Flat-funding, at a time where all costs are going up, creates distress on districts that have growth, and cost of living-- If everything else goes up, and you still continue to get the same pool of money, it is perceived in your finance house as a cut to the district, to some degree -- when we're having this conversation.

I also want to just remind people that when budgets struggle in every government that deals with school budgets, it is always the Department of Education's budget that gets ripped into first, and monies are clawed back. It is a-- To me -- maybe it's because I consider myself a nerd in this area, and I'm so in love with education because I understand what it could potentially do for a child in the trajectory of their life -- we have to really change this conversation about making investments. So it doesn't matter what money we put in, it's about what we're doing with it, and how we're utilizing it.

When we instituted PARCC as a test, for the first time outside of all the different conversations that we were having, there was a conversation in 2015-2016, 2014 about putting computers in school buildings. It is the 21st century. It is extraordinary that we're not equipping the next generation with every possible mechanism and tool. When we apply for jobs, it's not the way it was when I was considering

employment. I could get on a bus or go-- Our children will be competing with every other single human being -- not in this country, but around this globe. And if we don't really make an investment in this--

You know, New Jersey has great numbers; we do really well. And it's a tale of two cities in a lot of areas. But when you look at our numbers universally, and compare ourselves to other countries, we're not doing that great.

So let's continue this conversation about not spending -- let's flip it and talk about making investments in what's critically needed to ensure the best education for every child in the next generation.

SENATOR SARLO: Thank you.

SENATOR SWEENEY: Anyone else? (no response)

If not, you want to call the next panel?

SENATOR SARLO: Yes, thank you.

Thank you, Mr. Albro.

Next up is the next panel from the Borough of Lodi: Our Mayor, Emil Carafa; he's also, I believe, a Principal in the schools in Lodi. He's going to be joined by Mr. Gus Modla, Superintendent, Sussex County Technical School, Mr. Modla; and Mr. Sam Crane, from Pre-K Our Way. And Judy Savage, also, from the New Jersey Council of County Vocational-Technical Schools.

We'll start with our good Mayor here, from the Borough of Lodi.

**MAYOR EMIL CARAFA:** Thank you so much.

Good morning, Mr. President; and Senate Select Committee on School Funding Issues.

As Senator Sarlo said, I'm Emil Carafa; I'm the Principal of the Washington School in Lodi, an elementary school with 400 students in a district of 3,400 students.

Lodi is one -- a little over one square mile in depth. (laughter) So we're 24,000 people squeezed into a little area. I've been in Lodi all my life.

Lodi faces the financial challenges that everyone else is facing. It's a community I love, not only as a teacher and a Principal, but as a Councilmember in the late 1980s and early 1990s; and now I'm back again as a Councilmember, currently serving as Mayor.

The Lodi School District -- let me give you a little background -- has five elementary schools, one middle school, and one high school. Our community is working class; it's blue collar, and it's comprised of citizens with multiple cultures and languages. As a District Factor B Group, we are a Title I District, and the majority of students are Title I eligible.

Some of our students arrive at our doors speaking Turkish, Spanish, Italian, and Arabic as their first language. And we serve a large amount of students with disabilities; with some students being educated in district, and others in outside placements. My first 16 years in education was as a special educator, so special education is extremely close to my heart.

Today, I would like to share with you the impact that the State's failure to properly fund my District according to the School Funding Reform Act has had on my school, my District, and my community. And being Mayor and an educator are a tough two hats to wear, because people, on one hand, are asking you, "What are you going to do to not make my

taxes go up?” And my first love is education, so my responsibilities go to the education of the children.

And before I go any further, I want to thank the Senate Committee for having a conversation. It’s continuing. You were in Lodi in July; I appreciate that this conversation is continuing, because it’s through great conversation that things happen, and I really, truly appreciate that.

Lodi has been significantly underfunded by the State in the amount of \$19.5 million this year alone. Currently, we receive approximately 43 percent of the State aid we were entitled to under the funding law. We have been flat-funded over the past seven years, like all districts across the State of New Jersey, despite rising costs, increased enrollments, and new mandates from the State and Federal governments. Additionally, our District has been caught in a cycle of underspending -- where our capped budget is below adequacy levels, yet our community cannot afford to pay more taxes even for the important goal of enhanced educational opportunities for our students.

Again, in my school, which serves pre-K to 5, I have sadly seen firsthand how the loss of State aid can impact the breadth of instructional programs.

Senator Ruiz just brought up about digital education. I have 400 students, and I have 90 Chromebooks in the computer lab. It’s very difficult to be global when you have to service all of these students. And it’s about giving them a good education; giving them what-- You brought up the standards and PARCC. It’s about education; it’s about making sure every child walks out of our building college and career ready for what they have to do.

And I must say, the State of New Jersey is well respected. I've had the opportunity to serve on different places nationally, different educational groups. And New Jersey is looked to for direction, because we know how to do what we do in education, and we are extremely, extremely proud of it.

Because of the continued rise in children, I have art-on-a-cart. Since 2001, I finally have a gymnasium; our kids used to have gym in the basement. Due to our severe budget cuts over the years, teachers-- We had a teacher -- they did away with the elementary band -- he volunteered to do it. I'm saying, people are stepping up, but there's no continuity to what goes on.

And again, technology -- which I think is the forefront of what we have to do -- when you go for a job-- And I could reflect on what Senator Ruiz said -- we used to go and fill out the application. You sit in front of a computer, and you have to know what you have to do. That has to be something that the schools -- it has to be done. We have two tech people for seven schools, and it's because of the budget funding that we can't afford any more.

And I must say, Lodi was in the paper a while back because we were one of the top 10 towns for growth with our scores and what we have done.

I am concerned that the lack of core educational resources will limit our students' chances for success in today's challenging world. As a Principal, it's important that I get my teachers out there to have professional development so they can continue in the trend that's going on

across the nation. There are countries -- outside countries that communicate with them. We have to go forward.

We've lost guidance counselors. And to go to the area of special ed. I started teaching 41 years ago; special ed was -- we were in the basement, then we were in a segregated building, now we're inclusive. I have -- I can think of one student in my school; she's pre-K4. She has a nurse with her, an aide with her. I'm saying it's-- The children of our special needs -- their needs have changed dramatically, and I think we have not stepped up to the plate to understand this part of what special ed does. I don't know how to rectify the problem. When people said, "Take special ed and put it outside of the cap," that really sounds good. But as the Mayor of the community, it's going to fall on the taxpayers back, and I don't want that to happen either.

So I am really, really happy that this conversation continues to go forward.

We really have had to cut things in Lodi, but we've tried to keep the majority of things together. We have, I believe, close to 600 classified students in Lodi alone. So that's a large number of special ed students.

My point in sharing all of this is to illustrate the significant impact that the State's underfunding of my school district has had on our students and the quality of learning opportunities that Lodi can provide. I am concerned that with rising standards and expectations for our students, that we will not be able to meet the critical benchmark of college and career readiness that our students deserve. In any consideration of the issues of funding fairness, please keep my school and students in mind. Continued



flat-funding, without running the funding formula, has already eroded the educational opportunity in my District. I ask you to begin to restore State levels to Lodi, and to consider loosening the overly restrictive caps on our local budgets, particularly in the high-cost areas like insurances and special education, as I already mentioned.

The State must seek new revenue to meet the compelling needs in our schools, not only in Lodi, but in all communities in our state.

And just thinking, I know-- I just had a very big development in Lodi get sold; and I know that if they redevelop this area, our schools are going to be overpopulated. It borders-- I know what Wood-Ridge is going through on Terhune Avenue. It's absolutely beautiful, but it's going to end up impacting on Lodi if this community comes forward.

So thank you for taking the time to hear my concerns as a school leader, and for travelling across New Jersey to understand this complex issue.

SENATOR SARLO: Okay.

Next will be Mr. Gus Modla, Superintendent, Sussex County Technical School.

Yes, for the folks -- the little (*sic*) microphone is the one that is for the audio in the room; the little ones are streaming live on the Office of Legislative Services website.

**AUGUSTUS O. MODLA:** Thank you.

Good afternoon, Senator Sweeney and members of the Select Committee.

I am Gus Modla, the Superintendent and Principal of Sussex County Technical School in Sparta.

Thank you for the opportunity to testify today.

You have heard from many who have highlighted the inequities created by many years of stagnant State funding, and the complexities of restoring a more equitable distribution. So I don't need to reiterate those points.

Instead, I will focus my brief remarks on the unique situation of county vocational school districts, like Sussex Tech, which face two special challenges with respect to school funding.

First, we must remain responsive to emergent workforce needs, even when funding is tight. If vocational schools don't stay aligned with industry expectations, then our programs will become irrelevant and our students will not be prepared for tomorrow's jobs.

And second, county vocational schools do not have the ability to levy taxes. We are dependent upon the county freeholders for our local tax levy.

Sussex Tech has seen a 37 percent enrollment increase since 2009 in a county that is experiencing a declining enrollment. This shows a strong demand for career and technical education. Yet despite our growth, our State aid and county support have been cut over the past seven years.

The School Funding Reform Act eliminated all categorical aid for vocational programs and two-thirds of special education costs when it shifted to a wealth-based formula. The Geographic Cost Index reduced our adequacy budget and aid level. The only way we could maintain a high quality program was because we received over \$1.3 million in adjustment aid to keep us whole.

We are concerned that, despite our growth and prior cuts, the proposal under consideration by the Senate considers Sussex Tech to be overfunded, even though we are spending below adequacy and, also, below the county vocational technical school average. As the Senate weighs the complex issues associated with school funding, we ask you to consider how a phaseout of adjustment aid would impact county vocational schools with a stable or growing enrollment. As a countywide shared service, we depend on county funding, and lack the authority to levy taxes for the local share of our budget. We could not expect our county to fill the gap, and we would not want to significantly increase the tuition charges to local districts because we recognize that they face fiscal constraints of their own. Doing so could potentially discourage them from sending their students to us, which would hurt students and the local economy.

For 2017-2018, we ask this Legislature to avoid any aid reductions for county vocational schools so that funding reallocations do not end up increasing costs for local districts, and possibly, limiting opportunities for students to attend county vocational schools.

For the long term, the Legislature may want to consider restoring per-pupil aid for vocational schools, rather than the current wealth-based weight, so that all counties are funded equally for these critical countywide programs.

Thank you for the opportunity to speak today, and for your continued support of New Jersey's county vocational-technical schools.

SENATOR OROHO: Thank you.

Senator?

SENATOR SWEENEY: Yes.

SENATOR OROHO: Just real quick, I just -- I want to thank Gus for coming here today. We've had a number of meetings.

But Gus brings up an excellent point where -- the interaction between the Geographic Cost Adjustment and the adjustment aid; they kind of work hand-in-hand.

SENATOR SWEENEY: Well, in-- Obviously, we have to look at vocational schools a little differently too--

SENATOR OROHO: Yes.

SENATOR SWEENEY: --because of the way they're structured.

SENATOR OROHO: Yes.

SENATOR SWEENEY: We recognize that. That's the purpose of this -- right?--

SENATOR OROHO: Yes; exactly.

SENATOR SWEENEY: --is to get all the input.

SENATOR OROHO: Thanks.

SENATOR SWEENEY: Judy.

**JUDY SAVAGE:** Thank you.

Thank you very much, Senate President Sweeney and members of the Committee.

I am Judy Savage, the Executive Director of the New Jersey Council of County Vocational Schools.

We really appreciate your commitment to addressing these issues. And, you know, when the Senate President says he's "not going to let this go," I believe him.

The 21 county vocational schools, as a group, have experienced an enrollment increase of about 14 percent, on average, since 2009-2010; and more than a third of the districts have experienced an enrollment increase of greater than 20 percent. So there is high demand for these programs.

Yet, like all the other districts that you're hearing from, our State aid has been essentially flat; and a number of our schools are actually receiving less aid this year than they did in 2009-2010.

Unlike local districts, the county vocational schools don't have the ability to increase that local tax levy; and that is a problem. More than half of our schools have either been level with their counties, reduced a little bit, or had a very small increase of less than 5 percent over the past seven years. So it's less than 1 percent a year, even for those districts.

So while all school districts are struggling to address rising costs, growing enrollment, new State requirements -- which come plenty over the past years of flat-funding -- county vocational schools face that added challenge of having to keep up with emerging workforce needs and the economy. We need to have sufficient resources to attract teachers from industry, to purchase equipment, and to put in new programs when the demand is there.

And certainly, one example of that is manufacturing. You all hear from manufacturers throughout the state that are crying for more skilled workers; calling for the restoration of programs. Thanks to some grants established by the legislators, a number of our schools have stepped up to create those programs. But the grants only last a couple of years; their sustainability plan for continuing those programs beyond the grant is

based on at least maintaining current funding. We can't prepare students for tomorrow's jobs on outdated equipment.

We recognize the complexity of moving back to enrollment-based funding. And you know, the Senate President already acknowledged it -- we appreciate your willingness to look at us as being a little bit different. Because we are concerned about those small number of counties that had, frankly, an over-reliance on adjustment aid, because the School Funding Reform Act took away per-pupil vocational aid, which they all received; it took away all the per-pupil adult education funding, which they all received. And it also shifted the special education aid -- which county vocational schools, on average, serve more than that census-based enrollment -- that also went from per-pupil to mostly being wealth-based. So in counties like this one -- in Bergen, in Sussex, in Morris, and places like that -- there would be a major reduction.

Gus touched on it; the only other place we can go, if the counties are not able to increase their contribution for the vocational school, -- would be to the local district contribution. Most of our counties now do charge a local share in the form of tuition; some charge more, some charge less. It varies from county to county, both based on history and based on their State aid. But we are very, very wary of over-reliance on tuition, because local districts face their own pressures and, quite frankly, we know that if it becomes very expensive for them to send us their career-focused students, those students will quickly become less career-focused and they will have less of an opportunity to come to us.

So we appreciate your willingness to think about it a little bit differently. We certainly welcome the chance for continued conversation

about how best to do this. And we are very, very grateful to the Committee for your commitment to addressing this issue.

SENATOR SWEENEY: Thank you.

Senator Sarlo.

SENATOR SARLO: Thank you, Mr. Senate President.

And I don't know what the answer is, as I sit here today. But I think it's something that we're going to have to consider, or some combination thereof.

Because if school-- What happens right now in Bergen County -- some of the districts that you just heard from -- their best and their brightest end up going-- We are very fortunate, and very-- I'm going to use Bergen County -- no disrespect to Sussex County -- but I'm very familiar with the Bergen County model. We have Bergen County Technical School in Teterboro; we have Bergen County schools -- academies -- up in Hackensack. The best and the brightest; I mean, they're going to some of the best Ivy League schools; scholarships -- it's amazing what these students are coming out of.

We're losing them -- a lot of them from our local school districts -- we lose those test scores. They get educated K-8, and then they go up to the high school for freshman through senior.

And in addition, on top of that, you have Paramus, which is our vocational schools. It costs us more money to run these schools, of course. Now, with the reallocation of money, some of these school districts, perhaps, could pay a little bit more in tuition; perhaps the county could put a little bit more in. But we're going to have to be open-minded in how we

deal with these vocational schools, because they don't have the ability to go back to the taxpayer.

MS. SAVAGE: Exactly.

SENATOR SARLO: They don't have that ability. They are, kind of, beholden to the Freeholder Board, and they're only getting a percentage.

We have created this unbelievable model in Bergen County; I know they've done it in other counties. These schools are just amazing. We're getting the best and the brightest, and it's driving up our scores throughout the entire county. But it costs us money to educate these children in those schools.

So there is no easy answer. Bergen County loses \$4 million -- the technical schools lose \$4 million on this. We're going to have to figure that out. But, you know, there may be a combination thereof; I don't know the answers today.

But Senate President, I just want you to keep an open mind. That's all I'm going to ask.

SENATOR SWEENEY: We do.

Senator Thompson.

SENATOR THOMPSON: I'm not really that clear on the relationship between the vo-techs, and so on, and the sending districts, and so on.

First off, a child decides he wants to go to the vo-tech; and he simply applies, and so on, and he is accepted or not. The school district has nothing to say, etc. That's the first step, right?



MS. SAVAGE: That is correct. It's a student's statutory right to apply and attend; and the school district is required to send them. They pay a local share -- just the amount that's not covered by State aid, county aid, and other sources -- and they provide transportation.

SENATOR THOMPSON: Okay. The second part was, again, you speak of-- You know, if you don't get money elsewhere, you might have to increase the tuition, and so on. How does the tuition-- You mentioned local share and so on, and then you mentioned tuition too. So are you saying the school districts automatically send you a certain amount, and then you add tuition onto that? Clarify that for me.

MS. SAVAGE: No. Tuition is the local school district's share of the cost to county vocational schools.

SENATOR THOMPSON: Okay.

MS. SAVAGE: Students and their parents don't pay a dime. These are public schools.

SENATOR THOMPSON: How does that tuition compare with what the school district might-- Thus, you have a flat tuition rate, no matter where the kid comes from in the county and so on -- that you charge? Or does it vary, depending on which school district you come from?

MS. SAVAGE: It is the same throughout the county; it varies from county, to county, to county.

SENATOR THOMPSON: Right; okay.

MS. SAVAGE: And it's established by the New Jersey Department of Education.

SENATOR THOMPSON: Roughly, how would you say that compares with the school cost in the school district itself? Are your vocational costs essentially higher than in the district, or--

SENATOR SWEENEY: Yes.

MS. SAVAGE: The vocational cost is higher; the formula, in fact, recognizes that it's about 25 percent higher--

SENATOR SWEENEY: Yes.

MS. SAVAGE: --because of class-- They're doing two sets of requirements: academic, plus all the technical things; they have to be in small classes. So that overall cost is higher.

But I want to be clear that the local district's share, and that tuition, is only a fraction of that total higher cost.

SENATOR THOMPSON: So when you come to that fraction, would they end up paying less for the kid coming to the vocational school than if they stayed in the public school system?

MS. SAVAGE: Yes.

SENATOR SWEENEY: Yes.

SENATOR THOMPSON: In most cases; okay.

MS. SAVAGE: Yes, absolutely.

SENATOR SWEENEY: Yes.

SENATOR THOMPSON: That's what I was trying to get at.

SENATOR SWEENEY: Yes, but the reason why vocational schools were created was because local districts, really -- the economy of scale couldn't afford to continue--

SENATOR THOMPSON: Sure; I recognize that.

SENATOR SWEENEY: --providing the programs that they have. And there's not enough, you know? The biggest problem we have is there is much more need for vocational training. And we, at times, have turned our vocational schools -- I call them *vocational schools* -- into institutes of technology.

SENATOR OROHO: Right.

SENATOR SWEENEY: And you still need people -- culinary arts, you still need ironworkers, and carpenters, and electricians. And we have really crowded a lot of those kids out by creating these other programs.

SENATOR THOMPSON: Finally, you said that the -- is it the percent that you can charge the districts set by the State? The State sets something relative to that, you said.

SENATOR SWEENEY: We set-- Senator, we actually set a dollar amount that was higher than regular high school education, based on the recognition that vocational training is more expensive.

So when the formula was actually devised, the reason why it received great support from the educational world was that it did recognize that K-6 is cheaper than high school; high school is cheaper than vocational. You know what I'm saying? So they assigned a dollar amount based-- And the money would follow the child, which is what was the most important thing, so that-- Unlike what we have here, where you're having a school district with 500 kids, with 0 dollars with those 500 children, you know?

And it was the Legislature, not the formula; and we need to tweak this. You know, I talked to Senator Pennacchio earlier. There are things that need to be addressed. But it wasn't the formula that screwed things up; it was the Legislature.

SENATOR THOMPSON: Yes, well, did we set the formula?

(laughter)

SENATOR SWEENEY: We-- The formula--

SENATOR RUIZ: I wasn't there. (laughter)

SENATOR THOMPSON: So that was the last point I was getting to. Should we reveal what these equations are in that area?

SENATOR SWEENEY: You know what happened, Senator?

Senator, you know, really, when you think about it; like I said, if -- you know, and this is a bone of contention between me and the Assembly right now -- is adjustment aid and enrollment caps. You know, that was not part of the formula.

SENATOR THOMPSON: Right.

SENATOR SWEENEY: That was not part of the formula. That was the Legislature that had put those conditions on, on a temporary basis, and what has caused some districts to be at 16 percent funding, and others to be at 150 percent funding. And when you have Superintendent Roundtables, they're getting a little contentious now because people are looking at each other and they're trying to-- How do you explain to the people who you're responsible for that you're getting 40 percent? What -- are you less? And you're not; we're supposed to be equal. We're all supposed to be in it together.

So there is no predetermined outcome. My bone of contention with the Speaker is that there are two things that we absolutely know; two things we absolutely know that has thrown this completely out of whack. And you know, there are things we can work on, but we can fix a big piece of this real quick.

SENATOR THOMPSON: Okay.

The final point I was trying to get to -- and this is strictly related to the vocational schools -- the current formula asks what percentages, and so on.

SENATOR SWEENEY: Yes.

SENATOR THOMPSON: Is that something we should be looking at and, ultimately, tweaking that particular part -- the allocation of what -- how much you can charge your local school district, and so on. Is this something you think should be reviewed?

MS. SAVAGE: That piece is very complicated, because it varies from county to county--

SENATOR OROHO: County to county; yes.

MS. SAVAGE: The way I--

SENATOR SWEENEY: Based on--

MS. SAVAGE: --tend to explain it is, if you think of each county as being a pie--

SENATOR THOMPSON: Well, I didn't ask you that. I said, do you think it should be reviewed; or do you think it's fine as it is? That's the question.

MS. SAVAGE: Well, I think letting it happen on a county-to-county basis is appropriate, because each county is different.

But one thing that I think you might want to look at is making that vocational component -- the recognition of that higher cost -- keeping it wealth-based or addressing it in a different way. Because we have some counties that are -- basically would get no recognition from the formula for that higher vocational cost.

SENATOR SWEENEY: But I think, Senator, what you're getting to, and I understand, is that like Senator Sarlo said, he's got-- And they are wonderful schools; but they cost a hell of a lot more. So, you know, that doesn't mean the State should pick up the additional cost if they want to do extra programs. That's really between the school districts and the county. And it's wonderful that Bergen does that, because those kids who are going to the schools there have amazing opportunities.

So you know what I mean? Like, to what you're saying--

SENATOR THOMPSON: That's exactly where I am trying to get to.

SENATOR SWEENEY: I knew exactly where you were going, Senator; and I don't disagree with you, okay?

Anyone else? (no response)

If not -- something that's near and dear to Senator Ruiz's heart and mine -- pre-K.

MS. SAVAGE: Thank you.

MR. MODLA: Thank you.

SENATOR SWEENEY: Thank you.

One thing that we actually know -- it helps kids. (laughter)

**S A M C R A N E:** Senate President, members of the Committee, mother of a future pre-K student--

SENATOR SWEENEY: Oh, yes.

MR. CRANE: Congratulations.

SENATOR RUIZ: Thank you.

MR. CRANE: My name is Sam Crane, and I'm here today representing Pre-K Our Way.

We are a nonpartisan, nonprofit organization, organized statewide. We have 27,000 individual supporters; we have 50 groups that have now joined us. And in case you missed it, in the last week, the New Jersey Chamber of Commerce came out to support the expansion of pre-K as an important economic activity in the state.

Let me just say that New Jersey's existing pre-K program is a uniquely New Jersey success story. Everybody talks about education and outcomes; we created one of the best -- if not the best in the country. The problem with it is it's only in 35 districts; and it's only funded in those districts; and roughly only 47,000 3- and 4-year-olds have the availability of it.

We've been judged and evaluated by the National Institute for Early Education at Rutgers. The Bill and Melinda Gates -- you may have heard of them -- Foundation, which looked nationwide at the top pre-school programs. There could only be one number one, and it was New Jersey.

So we're successful. And it's so successful that, in the SFRA, the Legislature and the Governor put in a provision to expand pre-K to every other at-risk child in the state, and to 102 districts having 40 percent or more free and reduced lunch. Every child would be eligible for pre-K funded by the State.

So I think when we-- There are now, today, every year, 50,000 kids in New Jersey waiting for pre-K. And the time has come, as you start to look at the funding formula, to also not just-- And I understand the challenges you have in a very personal way -- about how that works. It's also a time to make an investment in pre-K.

And yes, it costs money. It costs \$550 million; I'll put it right on the table. But it is the kind of investment that you get a return on in higher graduation rates, current workforce satisfaction, and a whole set of returns. One organization -- which is not affiliated with Pre-K Our Way -- is *Fight Crime: Invest in Kids*; and a lot of people have heard from them. They are chiefs of police and county sheriffs. They want pre-K because they think it will save \$1.2 billion down the road. That's not my number; that's not a number by this Committee. It's a number that they've come up with.

So let me finish with two quick quotes. Our leadership group-- We're fortunate enough to have both former Governor Florio and former Governor Kean believe in this. Governor Florio said, "The investment we make today in the education of our youngest citizens will yield real results, both for our children's and our State's future." Governor Kean -- and we all know that he spent most of his time as Governor and after Governor reforming education, "One of our highest priorities should be the availability of quality pre-K programs for all our children."

So this morning, I'm asking you that as you start to look at this formula, and you start to correct what you need to correct, that you also use the formula to invest in our youngest citizens, those 3- and 4-year olds -- 50,000 of them across New Jersey every year are waiting for this opportunity. That's not right; it's time to fund it, and it's time to get real results.

And I will say one final thing. If you are ever having a bad day, go to a pre-K.

SENATOR SWEENEY: Yes.



MR. CRANE: Just drop by. I go to one at least two times a week. It's the best therapy you'll ever see, when you see these young kids, at 4 years old, doing their writing samples. It is remarkable what this does to prepare them for school.

Senate President, members of the Committee, thank you very much for your time.

SENATOR SWEENEY: I just want to add something.

As we were moving around the state talking about education funding, we went to New Brunswick. And in New Brunswick, the Superintendent actually kept track of kids who went to pre-K. Now, I'm not going to debate the PARCC test at all; but kids who took -- who had pre-K, scored 20 percent higher than kids who didn't. There's always an argument that children don't retain; it's not true. It actually prepares them, and they're more organized, and much better suited for a future because they started early.

I like to tell the story of my daughter. My daughter was a premie; she was 2 pounds. And she has Down syndrome, so we were in the neonatal unit. As soon as we got out of the hospital, she was in an early intervention program, and they were teaching her. And the point is, you can learn; 85 percent of our brain develops between birth and 5 years old. So it's a sponge that just absorbs everything.

And we should be so proud of our pre-K program, but we should be ashamed that we have 50,000 kids waiting every day (*sic*). That's where the shame is. Because for the lucky ones -- for the lucky ones, they get a head's up; they get a leg up on other kids. It's really, really impressive when you look at what pre-K can do.

And the Chamber of Commerce, rightfully, recognized that this is an investment in our economy. You know, our people are our economy, and the more that we can invest, the better businesses will come, the better paying jobs that are here. It's a no-brainer.

So, you know, I'm a big fan, as you know.

Senator Ruiz.

SENATOR RUIZ: I think -- I talked about it; I didn't even see you on the agenda earlier today.

But that's where I started my career, actually; it was in a preschool setting; it was pre-Abbott. I didn't have certification, so I just -- full disclosure -- to lend, for the visual, what it was. What was unique, and is unique, in every preschool setting is that you can get a child the first day in September who doesn't speak English. And then, all of a sudden, during morning circle, just a month into the year's program, that child will raise their hand and just start fluently speaking to you. And they absorb absolutely every single, possible thing that you can give them.

And the more we invest early on, the better the outcomes are for every student academically. And it's just proven across the board. And yes, there are a lot of things that we don't do well in the State of New Jersey; but nationally, we are always recognized as providing -- having one of the best high-quality preschool programs. And it's an investment that saves you money later on in the education system, throughout the state.

So time to step up our game, however we can do this; whether it's creatively, whether it's finding the money, whether it's going out to voters to ask. I mean, we've done it for everything else, it's time that we step up our game for our 3- and 4-year olds in the state.

SENATOR SWEENEY: Thank you.

Anyone else? (no response)

If not, we'll go to the next panel.

MR. CRANE: Thank you.

SENATOR SWEENEY: Thank you.

Dr. Christopher Irving, President, Paterson Board of Education;  
Mr. Steven Gardberg, School Administrator, Prospect Park School District;  
Mr. Gary Passenti, Clifton Board of Education; Mr. Lawrence Grasso,  
member of the Clifton Board of Education.

I took the easy names. (laughter)

Where is everyone? (no response)

Okay; I guess they're not here. So--

**S T E V E N G A R D B E R G:** --move over.

SENATOR SWEENEY: Listen, you have it all to yourself.  
(laughter)

MR. GARDBERG: Good afternoon, Senator Sweeney, ladies  
and gentlemen; thank you for having me.

I'm happy to be here. I was attending a session the Senator  
had in Newark a few months ago when -- first introduced this formula, and  
trying to respond to the Governor's formula.

Just a little bit about Prospect Park.

SENATOR SWEENEY: Can you introduce yourself for the  
record?

MR. GARDBERG: Oh, sorry. Steve Gardberg; Business  
Administrator, Prospect Park Board of Ed.

A little about us. We're a one-half-square-mile Borough next to Paterson. We are the third-highest density population town in Passaic County; that's us. And we are a DFG B; so very low affluence.

And some things I'm going to say are in comparison. I live in Morristown, which is a very different kind of place; in a different school district, where my kids go to school. And I grew up in a town in Chicago, similar to Morristown.

We are currently underfunded by about \$1.5 million. So in our \$13 million budget, our taxpayers pay about \$3 million. If we were able to get that up to fair share, we could cut our taxes in half. Just imagine, as a taxpayer, if all of a sudden your bill was half, how much more economic activity you could generate in your own town and, of course, in the state.

Additionally, there are things that we've had to do over the last few years with flat-funding. It's particularly hard because 65 percent of our budget is State aid. So even though we can increase 2 percent without going to the public, that's not on a very large amount of money. When I increase by 2 percent, let's say, for next year, that's only \$60,000, which we can eat up by a few teachers getting more health care, as those costs go up.

And of course, those costs do go up much higher than 2 percent in my whole budget; the salaries are going up 2.5 percent, on average, around the state; and health care going up 8 percent. It becomes quite a challenge.

We have had to cut services to our students over the last few years, which I think is very unfortunate. Especially in the non-mandated areas, such as arts; or some of the sciences, that I think my children benefit quite differently from in Morris County.

We do have a pre-K that serves less than half of the average student grade enrollment that we have, which is about 100. So again, imagine if we could serve all of those children in pre-K; I think that would be tremendous.

We've had significant increases in out-of-district placements for student education. I don't know how much you know about how much that can cost; but one student moving in-district mid-year -- I'm going to be hit with tuition of anywhere from \$35,000 to \$65,000 annually, plus the transportation. So that's something that we try to budget for as a contingency.

But again, with the flat aid and then the increased costs, we've also essentially had to run a deficit budget by taking out of our reserves instead of increasing our taxes every year.

I didn't have any other specific comments, but if there were any questions, I'd be happy to--

SENATOR SWEENEY: Thank you.

Any questions?

SENATOR PENNACCHIO: Yes.

SENATOR SWEENEY: Senator Pennacchio.

SENATOR PENNACCHIO: Thank you, Chair.

Cost per pupil in your District?

MR. GARDBERG: Around \$15,000, I believe.

SENATOR PENNACCHIO: Still under the State average. It seems that the common thread here is you have to have skin in the game.

MR. GARDBERG: Right.

SENATOR PENNACCHIO: Because they watch those nickels and dimes, and they still wind up delivering a good quality education for those students.

MR. GARDBERG: Right. And then also, just on behalf of the residents of Prospect Park, we're part of the Manchester Regional High School and Passaic County Technical. And I know there are some other funny issues that are related to how the regional high schools are handled. And it's different throughout the state in different communities--

SENATOR PENNACCHIO: Yes.

MR. GARDBERG: --with different means. So I hope that you can also consider some of that in your plans.

SENATOR OROHO: As far-- I'm sorry, Senator Sweeney.

SENATOR SWEENEY: Senator Oroho.

SENATOR OROHO: As far as how the regional schools are allocated through the different sending districts, do you mean, or-- Because we have a few regional schools--

MR. GARDBERG: Right. I'm not going to pretend to be an expert on that level.

SENATOR OROHO: Right.

MR. GARDBERG: People in Manchester Regional have done more in that regard.

SENATOR OROHO: Yes. You bring up a very good point. Because depending upon how-- There are a few different ways that actually can be shared, whether it be population, assessed value. But also, if you have-- Well, I have a situation in my District, where there is one student who gets sent to the regional school. And their tuition -- their share was

\$40,000, because of the way it was mandated to be calculated by the State. So we really have to look at that; yes.

SENATOR SWEENEY: I appreciate that.

SENATOR OROHO: Thank you.

SENATOR SWEENEY: For Prospect Park, if we fully fund it with enrollment growth, you would go from \$8 million to \$13 million.

SENATOR OROHO: Yes.

SENATOR SWEENEY: So obviously-- And Manchester would go from \$6.6 million to \$15 million.

So we know what-- We know there's a problem; we just have to come up with a path to get to the funding. That's why we're doing this.

Any other questions? (no response)

If not, thank you.

MR. GARDBERG: Thank you.

SENATOR SWEENEY: Next, I'm going to call up Bernadette McCausland, Vice President of the Paramus Board of Education; and Betsy Ginsburg, Executive Director, Garden State Coalition of Schools.

**E L I S A B E T H G I N S B U R G:** Thank you, Senator Sweeney and members of the Committee.

I am Betsy Ginsburg, Executive Director of the Garden State Coalition of Schools.

One point I wanted to make, relative to per-pupil spending -- the per-pupil costs. Many of our districts -- many of our member districts are among the finest in the state, but among the more fortunate.

But I should say that many of those same districts also spend at the State average. Not because they receive lots of State aid -- many of

them don't -- mostly they receive from the local tax levy. So whether somebody's taxed at the State average, above it, or below it -- it's not necessarily a factor of that district's wealth. It's more how much is raised in local taxes, how much comes from State aid. I just wanted to make that point.

But now I'm very happy to introduce Bernadette McCausland. We're very pleased -- she is a Board member in Paramus, and also Vice President of Garden State.

**B E R N A D E T T E M c C A U S L A N D:** Thank you very much.

Good morning, Chairman, Senate President Stephen Sweeney.

I'm going to start out apologizing; I spelled your name incorrectly.

SENATOR SWEENEY: That's okay; everyone does. (laughter)

MS. McCAUSLAND: In today's news environment, maybe we can call it an *alternate* spelling. (laughter)

SENATOR SWEENEY: I like *Steve*.

MS. McCAUSLAND: Okay; thanks.

So as Betsy said, my name is Bernadette McCausland. I am a Trustee of the Paramus Board of Education. But this morning, I do not represent the Board of Ed; I'm speaking just on my experience as a Board member.

Paramus has proposed an efficient budget that increases the educational experience, provides security for student safety, and repairs our aging facilities. At first glance, we appear to be in great financial shape; yet we struggle to keep below the State-imposed 2 percent tax cap.



The 2016 increase in our tax levy was 1.99 percent, which funded 90.4 percent of our District's General Fund budget. That represents 54.4 percent of the total property tax bill. We are only able to absorb such a large share of the residents' tax burden because of our community's significant tax revenues from malls and other retailers.

When I ran for the Paramus Board of Education in 2009, I wanted to ensure that any cuts would come from outside the classroom. I was determined not to reduce any student's educational experience. What I discovered is that I was wrong to think that we could insulate student instruction from budget costs.

There are just so many places that we can cut before we begin to impact the classroom, and with our State aid coming in at only 2.5 percent, I feel that we are now at a tipping point.

In 2009, our State aid was \$3,751,532; and then, in 2011, our State aid was reduced to less than \$10,000. I believe this calculation was based on the fact that we had been very prudent in our budget and the handling of our school district; we had accumulated some surplus, and that surplus was held against us.

We have never recovered from our aid plummeting. Years later, we struggle to maintain our programs and class sizes. We currently have a list of programs to be eliminated, if our State aid is reduced.

After the nightmare cuts in State funding in 2011, our District eliminated entire tiers of Administration. At that time, I felt that it was a good decision because Administrators only had limited contact with students, so these cuts shouldn't be felt in the classroom. But I was wrong. Having too few Administrators impacts the students in ways that I could

never imagine. Reducing Administrators leaves fewer experts developing curriculum, observing instruction, and monitoring that there is a healthy school culture.

In addition, there is a significant workload arising from the Harassment, Intimidation, and Bullying -- or *HIB* -- law. We need Administrators in the Human Resource Department to help teachers understand the changing healthcare rules, and to properly administer the employee contracts. These are complex issues that schools struggle with. When we don't have a consistent stream of revenue, we can't afford to hire Administrators in Human Resources.

Individual supervisors of the different courses of study were eliminated; and now we struggle to pull from that same small group of Administrators to design curriculum to meet Federal and State requirements.

With the shortage of Administrators, it has become more difficult to supervise, review, and mentor teachers. The newest regulations of TeachNJ require two long and one short formal observation; and now there are two additional classroom walkthroughs required. We currently have 24 Administrators; we have over 500 teachers.

The individual teacher Student Growth Objectives must be set and reviewed using one of the AchieveNJ-approved evaluation systems. This is to record the teacher's self-assessments, including their review of their artifact logs and relevant supporting classwork. All of this is important to ensure that our faculty is meeting their goals.

In addition, at least one of the post-observation conferences must be face-to-face between the Administrator and the individual teacher;

and then the summative evaluation conference will be also be face-to-face. Proper supervision takes care and time.

The lack of predictable State funding and extraordinary aid payments creates volatile swings in revenue and spreads fear and concern over whether our saved surplus will be held against us in the calculation of future funding.

I'm asking for the Legislature to provide consistent and equitable funding so that we can continue to provide our students with great schools.

Thank you for your attention. I'm happy to answer any questions that you might have.

SENATOR SWEENEY: Thank you.

Any questions?

Senator Thompson.

SENATOR THOMPSON: I'm stunned by your figure -- that your State aid is only 2.5 percent.

MS. McCAUSLAND: Yes, sir.

SENATOR THOMPSON: How could it possibly come out-- I had no idea we got that low on any school district, much less-- I mean, you know, if you were the most wealthy district in the state, that might be one thing; but 2.5 percent--

MS. GINSBURG: I should say, State aid in my home district of Glen Ridge is about 3 percent; and in many of our member districts, the State aid is below 10 percent of their budget. So the property taxpayers make up the rest.

It is-- Bernadette referred to the little list that they have in Paramus -- of the potential layoffs and program cuts that would happen if the news is bad on the 28th. And if--

SENATOR THOMPSON: But do you have anything that -- in the State formula, and so on, that would explain why your aid is so low, or -- 2.5 percent--

MS. GINSBURG: Well, aid is partially wealth determined; now--

SENATOR THOMPSON: I realize that. But I would not categorize Paramus as that wealthy of a town. (laughter)

MS. GINSBURG: It isn't.

SENATOR THOMPSON: I mean, you know, there are some others up in Bergen County here that are pretty affluent; but I would not put Paramus in that category.

SENATOR SWEENEY: Well, you know, Senator, just for a frame of reference. If we full funded without enrollment caps, Paramus would go from \$2 million to \$4.4 million.

SENATOR THOMPSON: Well, even without fully funding it, I just don't understand how it would be that low without fully funding.

SENATOR SWEENEY: Yes; true.

SENATOR THOMPSON: Maybe I'll look -- see if I can find that answer somewhere, then.

SENATOR SWEENEY: Anyone else? (no response)

If not, thank you.

MS. McCAUSLAND: Thank you very much.

MS. GINSBURG: Thank you.

SENATOR SWEENEY: Okay, next we're going to have Dr. G. Kennedy Greene, Newton Public Schools; Mr. Patrick Fletcher, Superintendent, River Dell Regional School District; Dr. Joseph Cirillo, Superintendent, Palisades Park School District; and Melanie Schulz, the Director of Government Relations, New Jersey Association of School Administrators.

**PATRICK J. FLETCHER:** Senator Sweeney, my name is Pat Fletcher; I'll be appearing on behalf of all the aforementioned people.

SENATOR SWEENEY: Oh.

SENATOR OROHO: An efficient group. (laughter)

SENATOR SWEENEY: That is an efficient group.

SENATOR OROHO: An efficient group.

MR. FLETCHER: Dr. Greene is behind me in the audience, so he is here in spirit, as well as physically.

SENATOR OROHO: And he gave great testimony down in Kingsway.

SENATOR SWEENEY: Yes he did; yes he did. Excellent.

MR. FLETCHER: Senator Sweeney, members of the Committee, thank you for the opportunity to be here.

As I just mentioned, Dr. Greene and I appeared before the Joint Committee on the Public Schools on January 17; and then the Assembly Ed Committee on the 18th in Trenton. We also appeared at the Assembly hearing that was held in Bergen County a couple of weeks ago.

So we previously submitted over 25 pages of testimony and data; I'm not going to go over 25 pages today. I'll just try to summarize, briefly, our points.

As has been mentioned on many occasions before, the School Funding Reform Act was put into place; it was justly vetted by the Legislature, and then deemed constitutional by the Judiciary. It's a good formula, but it's a formula that has never, ever been fully funded. And as a result of that, local districts are faced with very difficult decisions. Those decisions are compounded by the fact that there have been many, many mandates put on school districts -- from both the Federal and the State levels -- including the 2 percent cap, which prevents us from growing our budgets in accordance with the costs that are coming our way.

So this underfunding is forcing us to make some very drastic decisions. And while we look at our budgets, on an annual basis, for efficiencies -- and that's a good thing; we should be looking for efficiencies in our operations -- there comes a point where we just can't capitalize on any more efficiencies and we reach the point where we then cannibalize existing programs. And that's where many, many school districts are now.

When we do that, unfortunately, what it does is, it affects student achievement and it prevents a global attempt to raise student achievement. And in fact, what it's doing is it's making it even more apparent that student achievement benefits from where you live, because of the wealth factors that go to support school districts when other forms of funding fail.

So after many, many years of this opportunity we are forced to, as I said, cannibalize those programs. And we're at that point now where the cost curve that's affecting every school district is exceeding our revenue curve. And it's really important to understand -- and you can look at the data that we provided before -- that this problem is not sensitive to

geography; it's all over the state; it's all over wherever you are, as far as wealth is concerned; and it's all over every enrollment category in the State of New Jersey.

So what we would also like to do, though, is not just point out a problem; we'd like to try to offer some opportunities for you to move forward with.

The first issue that we see is the fact that -- and has been discussed before -- it's been referred to as *adjustment aid* or *hold-harmless aid*, etc. That's roughly \$600 million of existing revenue, it's already there, it's already inside the budget. A careful, careful redistribution of that money can have a very positive effect on a lot of school districts.

And I point out again -- it doesn't require one cent of additional revenue; it already exists.

Many school districts have already faced making cuts as a result of not having their fair funding. I have very, very competent colleagues; I have very, very competent boards of education across the state that, given the time, can adjust to any reduction. Many of us have had to do it already. We've already done the hard work of cutting; other districts can do it too. I'm very confident in my colleagues' ability, if they know the situation, to address it.

The second part -- or the second opportunity that we offer is the fact that the funding formula does identify special populations. We've touched on many of them already -- special ed, at-risk, English language learners, etc. The formula -- which is run every year, and every school district gets their allocation -- we look at it, and what happens is you go through all of the papers and you get down to the end and it says, "Okay,

special ed, you're supposed to get this; you're supposed to get this for ESL; etc." And then the last page is, "Well, this is what we're really going to give you." (laughter)

So we know what the scope of the problem is; we do it every year. And our suggestion is that you, as a body of the Legislature, take a piece of that formula each year, and try to fund the revenue associated with fully funding that piece of it so that you're not trying to eat the whole elephant at one time.

And I refer back to my comments that my very, very competent colleagues, given the scope of the problem, will be able to help you in arriving at a very equitable opportunity to move forward with this.

SENATOR SWEENEY: Any questions?

SENATOR OROHO: No, just a comment.

He makes an excellent point. When you mentioned phase-in period-- As a professional expert, what would be-- You've had to deal with it on the other side where you haven't been adequately funded. And my point before about costs and everything is not -- the issue is, it's all costs.

MR. FLETCHER: Sure.

SENATOR OROHO: It's a matter of how you spend it, and how you spend it-- Now, you have had to make very tough decisions. What would be an appropriate period of time, you think, for some of those districts that, quite frankly, have been over adequacy?

MR. FLETCHER: I think five years.

SENATOR OROHO: Okay; that's what I--

MR. FLETCHER: --is appropriate.

SENATOR OROHO: Okay.



MR. FLETCHER: We've all had to do it. And as has been mentioned before, some of us had to live through -- and forgive me, because it happened on St. Patrick's Day -- the St. Patrick's Day massacre, when we lost all our State aid. We've all lived through that before, and had to adjust, at that point. So it can be done.

SENATOR OROHO: And because the worst school districts that -- how to do it. The issue is not only-- It then becomes, because we do know the formula -- how we use (indiscernible) many times. Unfortunately, you don't (*sic*) have to make some difficult decisions; and no matter what, there is always going to be costs. But how you spend is going to be critically important; you know, the value of spending. I mean, it's all an investment.

SENATOR SWEENEY: But at the end of the day, there are no losers if you're 100 percent, you know?

SENATOR OROHO: Very good point.

SENATOR SWEENEY: And that's why I keep pushing this argument. People keep saying there are *losers*; I don't know how there could be one loser if everyone is at 100.

And shame on the districts that have not shrunk, knowing they're getting additional funding, knowing they don't have the children. You know, that's wrong.

SENATOR OROHO: It's going to be an issue; yes.

SENATOR SWEENEY: It's wrong. And you know, they've had not only five years now, they've had nine years.

SENATOR OROHO: That's why we have to make sure--

SENATOR SWEENEY: So you know, I mean, that's the frustration-- That very first hearing we had down in Woolwich. You know,

the Superintendents are, you know -- the Superintendents -- it's getting very testy--

SENATOR OROHO: Yes.

SENATOR SWEENEY: --because you know, there's one district that's overfunded arguing, "Why are you picking on us?" And I said, "We're not picking on you," you know? It's-- We've created an environment that is -- it's so impossible for people to even start working -- continue to work together, when you have to cut staff; you know, all your money -- it's staff; it's not buildings, it's staff.

SENATOR OROHO: Yes. I mean, it's so much where-- When they talk about the mandates that we did -- the Legislature and the Administrations have put on them -- that's part of it. The regulations of like the Highlands and the Pinelands -- we heard about that.

SENATOR SWEENEY: Yes.

SENATOR OROHO: That's part of it. The idea of-- Obviously, this hold-harmless is a major -- is a major part of it, because that had to push you off major decisions that, unfortunately, many districts had to make. So there are a whole bunch of things that we'll have to address.

And also the interaction between, as we talked about, all those different components -- you look and you say, "Okay, the baseline was, it follows the student." And then, it became too complicated, with everything else that happened over the years.

SENATOR SWEENEY: Senator Pennacchio.

SENATOR PENNACCHIO: Thank you, Chair.

I really appreciate your testimony, because you got into some specificity.

Aside from the adjustment aid, some of the other variables that you talked about -- could you prioritize them? Wave a magic wand; what is the first thing that we should be addressing; the second thing?

MR. FLETCHER: Special education.

SENATOR OROHO: Special education

MR. FLETCHER: Without a doubt. Because that affects every zip code; you can make any argument on equity there that you'd like.

I happen to be a regional secondary school district. So the discussion of preschool -- which I very much appreciate -- affects me much later, because I get the kids after the 6th grade. But special education affects not only my district, but the sending districts that come to me. So I would -- I mean, I would go there first.

SENATOR PENNACCHIO: Would you know -- speaking of adjustment aid -- how much of that was related to any court decisions, court mandates, anything like that? Because we really haven't spoken about the courts. No matter what we do here, it's always going to wind up going through court. So what we think we're fixing, they may un-fix; they may over-fix.

MR. FLETCHER: Well, I think what you've already done with this formula is you've already had judicial blessing -- forgive me for mixing a metaphor there -- but judicial blessing on this. And I think what you see nationwide is many states are moving towards the weighted approach that New Jersey already has but it's not funding. So I think there is some greater agreement on the approach that New Jersey has put on paper, as opposed to just funding.

SENATOR PENNACCHIO: Thank you.

SENATOR SWEENEY: Senator Ruiz.

SENATOR RUIZ: I'll defer, if you wanted to--

SENATOR SWEENEY: I was just going to say -- the problems weren't based on the court; they were based on the Legislature. I keep going back to it. You know, Senator, it was the Legislature that did hold-harmless; it was the Legislature that did enrollment caps. It was never part of the formula. And it was never agreed upon by the experts that compiled the education formula.

You know, there was a great deal of work that was put into this from all sectors of education. And then it got Judicial blessing at the end of the day. And again, not being-- And you know, Senator, the other part is, even though it had met Judicial blessing and everything else, it still should be looked at every two years. You still should look for changes -- like we started talking about. Because special education was -- is a lot worse now, in my mind, than it was nine years ago, because of the underfunding. It was always an issue, but it's even worse now.

So keeping this alive for future Legislatures; to keep making sure that they freshen it, that it stays vibrant, that it stays fair; and that we don't, every seven to eight years, have a conversation on something. It's harder when it gets much further away.

But it was the Legislature -- I keep going back to that -- and I was there; I was there. It was the Legislature. You know, we couldn't pass it, and it's unfortunate.

SENATOR PENNACCHIO: I can say, Chairman, maybe because I've been down here too long, but I can almost guarantee no matter what we do even -- if it's codifying what the court already blessed -- I

promise you, it's going to be brought up before them. And you may not get the same answer.

MR. FLETCHER: Sure.

SENATOR PENNACCHIO: Different court. So this is something that we should keep in mind.

SENATOR SWEENEY: But Senator, except -- and I go back to this -- the Supreme Court-- Adjustment aid and enrollment caps -- they barely even mention; they had nothing to do with it. That was something the Legislature had inserted. And if the Legislature does, they can undo. You know what I'm saying? Like, that's why I keep saying we should start-- There are a lot of things we need to do -- special education funding, transportation aid -- there is a whole host of things, I'm sure, the Superintendents and anybody in education can lay out to us. But these are two things that we did, that if we took them away -- and I agree with you, carefully--

MR. FLETCHER: Carefully.

SENATOR SWEENEY: --carefully moving the dollars. Because again, you don't -- we're not looking to hurt. But carefully moving those dollars at least gets everyone on the weighted formula to 84 percent, 85 percent funded; everyone.

So now we're underfunding everybody by 15 percent. So it's bad, but we're all being treated equally.

And Senator Ruiz wanted to say something.

One last thing from me. Since we're here, and we've made this offer, and we do have this Committee, I would -- all the educational groups

I would invite to participate in a meeting with us on areas that you identify of red tape--

SENATOR OROHO: Yes.

SENATOR SWEENEY: --or regulation that is a waste of time, and that has no benefit to education at all. And we know there are things like that. In fact, Senator Oroho serves on a Committee that eliminated 2,500 red tape -- pieces of regulation in other sectors; we haven't done this with Education.

SENATOR OROHO: Bipartisan.

SENATOR SWEENEY: Yes, in a very bipartisan way.

SENATOR OROHO: And Assemblyman Burzichelli has been great on that.

SENATOR SWEENEY: We don't need the Governor for that. We will-- Like I said, I'm making this offer, and we will send notices out to everyone; compile your lists, and we'll see if we agree. There might be things we can, some things we can't. But if you make the case, we should be able to adjust some of these regulatory things that don't help.

MR. FLETCHER: And Senator, we do appreciate the offer.

I should mention that both Dr. Greene and I are officers with our State Association. And we, together with the Business Officials Association, NJEA -- sometimes the enemy, if you will -- the Principals and Supervisors Association -- we all sat down and identified a common ground, which we submitted to the State Department of Education; we also submitted it to the Board of Education; and we can submit to you as well. It's readily available -- areas where we have done what you asked.

SENATOR SWEENEY: That would be great.

MR. FLETCHER: Just what you asked.

SENATOR SWEENEY: That would be great. See, we're not aware of that.

SENATOR OROHO: No.

SENATOR SWEENEY: That would be wonderful -- to see the differences. Why it should be submitted to us is because we're the ones who actually legislate the changes.

SENATOR OROHO: Yes.

SENATOR SWEENEY: But Senator Ruiz, you want to make a comment?

SENATOR RUIZ: An easy one is we can start rolling back the QSAC process everywhere, which is extraordinary for all districts.

But I just want to echo what the Senate President stated. I think sometimes in conversations some things get lost in translation. The courts upheld the formula. And I don't foresee us going back -- or any group taking us back to the courts, because the intent of these conversations is to fully fund the formula as it was intended without any extra quirks.

SENATOR SWEENEY: Senator Oroho, and then Senator Thompson.

SENATOR OROHO: Yes, just the one thing -- the adjustment aid, because there are many districts that are affected by adjustment aid. Now is the (indiscernible) plug them, you know; they didn't want to hurt anybody, and just like we're talking, now, about some sort of phase-in period.

But the thing we end up with has to also be simple to understand.

SENATOR SWEENEY: Yes.

SENATOR OROHO: Because the formula that we have right now-- I mean, I would challenge -- how many legislators and how many people have actually read the whole formula. I know you have, Senate President. But you go through there and you look at all the different tweaks that are in there--

SENATOR SWEENEY: Yes.

SENATOR OROHO: --and has, as any formula, if you have something like-- For example -- and I know I said it *ad nauseum*, and I'm sorry -- but the Geographic Cost Factor that affects your area and my area significantly; that also affected the plug number.

SENATOR SWEENEY: Yes.

SENATOR OROHO: So it's -- we have to keep it simple too, you know?

SENATOR SWEENEY: Senator Thompson.

SENATOR THOMPSON: There's no question that the hold-harmless provision, adjustment aid, and so on, were put in there for political reasons. That is to say, hey, to suddenly make changes like that would be devastating. So there was justification for putting it in there; but the problem was, no sunset was put in. It was intended that they would be phased out, and that action has never been taken. So that is what we are going to have to be addressing here.



And again, we won't do it overnight. We will phase it out, but it has to be done in order to rectify the application of the formula, and so on.

The question about special aid was raised and, there was a suggestion that the courts, and the Legislature, and so on is a great factor in that situation. Of course, the other thing is the Federal legislation, IDEA. That is a primary basis on which the courts make their ruling, and so on. So that is a big factor that plays in there, when you consider what you can and cannot do on special ed.

SENATOR SWEENEY: Well, thank you, Senator.

Is there anyone else? Because if not, we can wrap up this hearing.

SENATOR SARLO: Can I just say one--

SENATOR SWEENEY: Of course.

SENATOR SARLO: I do want to thank the Senators for coming up to Cliffside Park; I want to thank Cliffside Park, our hosts.

Clearly, you heard today from, sort of, a nice sample of school districts here in Bergen County that are getting things done. But, unfortunately, the taxpayers are footing the bill. And I just think we need-- As Sam -- you said the hold-harmless provision was put in; there was no sunset provision. But as Senator Ruiz said -- and I thought she said it perfectly -- we need to make sure that whatever we do, we phase these things in to make sure that no kid gets left behind in this process.

So we have a ways to go; it's all of us working together.

I want to just recognize Sue McBride, our NJEA rep here in Bergen County -- new; I've been working with her a little bit on some of the

issues here in Bergen County schools. You heard from our Bergen Tech vocational schools.

Clearly, Senate President, we really appreciate your leadership on this. We've heard from schools from South Jersey; we're going to be in Newark, I believe, on Thursday.

SENATOR SWEENEY: On the 22nd.

SENATOR SARLO: On the 22nd.

SENATOR OROHO: The 22nd; so you're good.

SENATOR SARLO: Not this Thursday, then.

SENATOR SWEENEY: No.

SENATOR SARLO: Okay.

SENATOR OROHO: No, no; next week.

SENATOR SARLO: Next week; okay.

SENATOR SWEENEY: Next Thursday (*sic*), 10:00 in the morning, in Newark--

SENATOR SARLO: We'll be at Rutgers Newark; okay.

SENATOR RUIZ: Rutgers or NJIT? NJIT.

SENATOR SWEENEY: NJIT.

SENATOR SARLO: NJIT. Oh, my alma mater.

SENATOR SWEENEY: Your alma mater.

SENATOR SARLO: I think it's incumbent upon all of us to work with our Assembly colleagues and really--

SENATOR OROHO: Yes.

SENATOR SWEENEY: Press.

SENATOR SARLO: --do something this budget cycle.

SENATOR SWEENEY: Yes.

SENATOR SARLO: Thank you.

SENATOR SWEENEY: Anyone else? (no response)

If not, we're going to adjourn the hearing.

Thank you for coming; we really do appreciate your input.

Thank you.

**(HEARING CONCLUDED)**