
OUR CHILDREN/OUR SCHOOLS CAMPAIGN

NJDOE School Funding Stakeholder Meeting Minutes *April 25, 2007*

MEETING CONVENED BY:

New Jersey Department of Education
Lucille Davy, Commissioner
Jessica deKoninck, Legislative Services
Yut'se Thomas, Office of School Funding

PRESENTERS

John Augenblick, Augenblick, Palaich and Associates
Justin Silverstein, Augenblick, Palaich and Associates

STAKEHOLDERS AT MEETING:

Alex Bethea, HAACT	Ginger G. Schnitzer, NJGA
Amy Shol	Helen Yeldell, NJ League of Municipalities
Barry Galasso, NJASA	Herb Conaway, Legislator
Blanche Harris, NJBIC	Janellen Duffy, Governor's Office
Bob Bonazzi, NJEA	JoAnn Bartoletti, NJPSA
Brenda Considine, Coalition for Special Education Funding	Jonathan Marshall, OC/OS
Carlos Leginiely, Charter School Assoc	Joyce Powell, NJEA
Chris Emigholz, NJBIA	Judith Cambria, LWV
Craig Stanley, Legislator	Judy Savage, NJ Council of County Vocational Schools
Cynthia Rice, ACNJ	Kathleen Witcher, OC/OS
Daniel Santo Pietro, HDANJ	Lesley Hirsch, ELC
Debra Bradley, NJPSA	Lynn Strickland, GSCS
Debra Jennings, SPANNJ	Mary Ann Jandoli, NJEA
Diane DeGiacomo, NJASA	Myron Miller, NJPTA
Edwin Carman, NJSBA	Rich Brown, NJEA
Edwina Lee, NSSBA	Richard Kaplan, NB/NJASA
Elizabeth Athos, ELC	Rosie Grant, Paterson Education Fund
Elizabeth Smith, SEOC	Yvonne Fork, PTA
Emerson Simmons, NAACP	Tom Dunn, Jr., NJASA
Fruqan Mouzon, Governor's Counsel	

1. Presentation by Justin Silverstein and John Augenblick of APA

Presentation covered 1) costing out procedures/methodologies; and 2) what was done in NJ. The impetus for the 2002-03 costing out work was the result of a NJDOE meeting with the National Conference of State Legislatures and the Education Commission of the States. NJDOE thought they had an opportunity to get a new funding formula done at the time. Other key issues brought out in presentation:

- Hypothetical districts are intended to be representative of the state.

- Although the study did not recommend specific methods of allocating state funds, APA envisioned a "block grant" type funding formula. The money would go to the districts and they would have the discretion to do with it as they chose.
- Panels are generally done in 3 phases: school, district, and state. Each panel is superceded by the next. Only state panel resources are costed out.
- In NJ, there was one school level panel composed of DOE personnel
- Panels themselves do not cost out resources; costing out in NJ was done by DOE and reviewed by APA
- "At risk" was defined as at risk of failing
- A general observation that at-risk, Special Ed, and ELL look at marginal costs of providing services over and above the foundation amounts. (Raises question of "What if" as Odden asks, the regular education component is structurally different for these populations?)
- The panels are "building schools to meet a specific standard"
- Geographic cost index was developed over 10 years ago

2. Q&A

- PTA - Were any parents involved in the professional judgment panels? (No)
- PEF - Why were there so few teachers involved? (Had to move quickly. DOE had people with knowledge of how schools worked. There is a downside to including too many teachers too. In other states when we included more teachers, we were accused of putting the "fox in charge of the henhouse." We were comfortable that panels were not driving costs down.)
- Governor's Office – Did district panel review work of school panel? (Yes, could make changes.)
- North Star - Why weren't facilities included? (Capital costs weren't included. MD may be working on this right now however.)
- ELC - Please respond to the major critiques put forward by Odden, Picus, and Olchefske. (We now use an EB approach. We used the geographic cost index because it was the best we had available to us at the time and because we had to develop these cost adjustments quickly. We agree with the percent increases they recommend for professional development - and also want to point out that they actually came in below some of our costs in other places. For most part, they agreed with us. Adjustments can be made.)
- Value NJ – (The questions you asked are about the funding formula. The cost study did not make recommendations about the source or allocation of funds.)
- NJEA – Do you consider two teachers to be an adequate number? (Not unlike what we do in other states.)
- NJEA – What would you do differently today? (We felt comfortable doing it the way DOE wanted to do it.)
- Special Ed Funding Coalition - Doesn't appear that you had anyone with direct experience with inclusion. What instructions were provided with respect to providing the least restrictive environment? (We weren't aware that there were no inclusion experts. Issue of high rates of segregation of NJ students with disabilities was not raised.)
- ELC - What were the standards provided to the PJPs? Were the Abbott standards considered? (The panels weren't specifically told about Abbott standards. All standards and instructions are on the website.)

- SPAN-In your other studies, have you ever relied on State Department personnel to the extent you did here? (No)
- NJEA - The typical approach is to use average teacher salaries as the price basis, not median teacher salary. Didn't this raise any red flags? (No it did not raise red flags. We didn't catch that.)
- GSCS - You mentioned that school aid might be delivered as a block grant. Under such circumstances, there would be no requirement to spend money on special groups. Seems difficult to see how the state would keep track of how funds are spent. (If the state wanted to ensure that money is spent in particular ways on specific populations, then accountability procedures would have to be developed.)
- NJEA - Seems like there are enough questions and enough lack of confidence that we need to come together and re-do this. You can get help from us. We are willing to commit the time and energy. This is too important. (APA stood by their work - "I feel comfortable" - and did not feel that their results would have been substantially different if they did this again. We would not want to start over again. You need to decide how far you have to go. The department wanted to move quickly and wanted to get it done. APA felt that the work was well done, reasonably done. It was the best we could do with constraints given. Possible to start all over again, but think it's time to move on to other questions that will take time to answer.]
- Conaway: How do these costs compare with actual spending. Do we know what districts actually spend?
- ELC: We have information that shows that the suburban districts are spending about 13,000 per pupil this year.
- Conaway: Disregard what the wealthy suburban districts spend.
- New Brunswick - Did you account for regulations - Abbott or NCLB? (See panel instructions. However, no specific requirements were given to the panel participants.)
- ELC - Could we make the changes to the study that Odden, Picus, and Goertz suggested without having to do the whole thing? (Not sure - it might be more difficult to make adjustments than we think. May be easier to start anew if that much concern.)
- Governor's Office – Isn't it viable to just make the changes? (Concerns me that anything you add now may be partially in there already.)
- What needs to be done going forward? (NJDOE response - Issues to be decided include what to do about federal money, how to treat students that count in more than one category, how to measure wealth, state and local share, what to do when districts don't raise their share, what if districts want to spend more.)
- NAACP- Didn't factor in NCLB, didn't factor in Abbott, used erroneous definition of "at risk" (NJDOE response – NCLB standards and CCCS were factored in. People from urban districts were on panels. Augenblick response – Don't know how I could design a system to make you all confident. We went about the work the way we usually do, with the exceptions discussed. Nothing made us uncomfortable.)
- NAACP – Could you study the costs of implementing Abbott? (Could do just Abbott districts.)
- PSA - How long would it take to re-do the study? (One way is to re-do and make adjustments then run simulations. Another thing we have to do will involve political considerations - there are technical and political considerations.)
- SEOC - Why not run the #s against actual spending. Perhaps this will give the current study more credibility. People might be more satisfied if they could pinpoint how these #s compare with what they are doing now.

- NJDOE - Not in favor of going back and redoing the study. Odden and Picus came up with similar results. We need to work on issues that remain. Everybody has to be willing to walk away with not everything that's on his or her Christmas wish list. We need something that's affordable. We need to prepare something now that the legislature will get behind. That's why we're here today.
- New Brunswick – Agree we need to move forward.
- ELC – Willing to pay your teachers 10,000 less? That's the difference between using median and average salaries. (NJDOE response – Decision has not been made to use median salary.)
- ELC – So, possible to make adjustments to the study? (NJDOE response – Absolutely. We will make adjustments to the study. We just will not go back to scratch.)
- SBA - Who is we? How will "we" decide? Do "we" have a vote? (NJDOE response – Ultimately will be done by Legislature. We want to recommend something. Things we need to go back and look at. Need to come back to the table. Stakeholders in this room will be involved.)
- NJEA - We told you what we thought last December when the results first came out. When you invited us here today we didn't expect to hear a set of justifications. We thought you fixed it. APA saying "I feel comfortable" with the work is not enough for us to drop our concerns. (NJDOE response – We haven't said we're using this to move forward.)
- Conaway - We need to move on from this discussion. The legislature has so much more to do. Many of the critiques I have heard from you and other stakeholders have turned out to be without merit. Would like to hear discussion on other policy issues. We have to look at federal funding, state and local share, what to do about districts who spend more than they should (capping). (NJDOE response - There are many questions yet to be addressed: senior citizens, early childhood, special education, overspending, wealth/income measures, where the \$ is coming from. We will be rolling out future meetings around topics.)
- NJEA – What is status of additional studies you have mentioned to us in previous meetings? (NJDOE response- We're working with folks from Rutgers who will conduct a study examining best practices in high performing districts. We are waiting for a fully formed proposal. Will be underway in fall and through next school year. Will not inform development of school funding formula. Information will help the Department to help districts.)
- NJEA - Will you update the study to accept the criticisms we have put forward and put forward by Odden, Picus, and Goertz. For example, proper salaries, proper professional development costs, proper definition of free and reduced lunch. (We fully intend to do that, but not only those that cost more, also those areas where we were more generous. We will get consulting help from folks outside the Department)
- PEF - Can't we do the work on the funding formula and cost side on parallel tracks? (Yes, intend to do that.)
- LWV - Billions more are needed for facilities. We can cost out a good education, but it will be for naught if the facilities aren't there. What will the NJDOE do about that? (We have a plan, but no money. The Governor is committed to addressing this. The tenor in this state is that people feel they're taxed a lot. Now we're talking about reality. A great deal of money is needed for a number of other things including rebuilding facilities. We don't have all the money in the world to do school funding.)

3) Next Steps

The following is a summary of remarks made in response to questions by ACNJ, SEOC, NJEA, Special Education Coalition, and HDANJ:

NJDOE plans to work with stakeholders to resolve these questions - cost- and formula-related, political and technical. We will hold 4-6 meetings through the summer (every 3-4 weeks). Some meetings will be on early childhood, special education, and state share. We will try to come to you to discuss options and not present anything as a fait accompli.