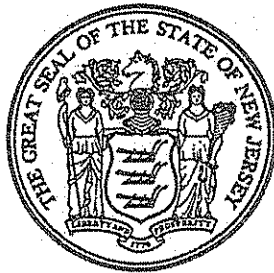


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ASST. COMMISSIONER
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NEW JERSEY REGIONALIZATION ADVISORY PANEL

FINAL REPORT



Completed
January 1998

NEW JERSEY
REGIONALIZATION ADVISORY PANEL MEMBERS

Michael Bibb, Esq., Chairman

Ms. Mary Boyle

Dr. Pablo Clausell

Mr. Terrence Crowley

Ms. Laurie Fitchett

Mr. Richard Gable

Virginia Hardwick, Esq.

Mr. Daniel Kaplan

Dr. Robert Smith

Mr. J. Gordon Stanley

Dr. Edward White

Dr. Leo Klagholz, Commissioner of Education

Dr. John Sherry, Assistant Commissioner - Field Services

Mr. Douglas B. Groff, Burlington County Superintendent of Schools

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EXECUTIVE SUMMARY

Taken as a whole, New Jersey's educational system is operating inefficiently. With over 600 school districts, boards of education, superintendents, business administrators and other support services, the system is plagued by redundancies and inconsistencies.

Efforts to address these conditions have been primarily incentive based, with school districts "encouraged" to examine such alternatives as regionalization and shared services. In certain cases financial incentives have been provided for districts to undertake such consolidations. Unfortunately, recent examples of district consolidations and new shared services initiatives have been limited. In fact, several regional districts have elected to dissolve their relationships, creating even more individual school districts in the State.

The Regionalization Advisory Panel considered several models for statewide school reform including regionalization of certain smaller school districts and county-wide or other shared services programs. The panel held three public hearings in which educators, legislators and the general public spoke to us about their concerns, successes and failures in implementing one or more of these models. What became apparent to us is that one size, in fact, does not fit all. Practices that work successfully in one or more school districts do not necessarily make sense on a statewide basis. Consequently, mandates that require consolidation or shared services in all districts meeting a specified criteria with the risk of political backlash could create conditions that are potentially worse than the current system.

The panel also recognizes the limitations to effective change by a totally incentive-based reform program. Many of the panel members who have served on school boards acknowledged the inherent conflict of interest in an elected or appointed body undertaking an initiative that could potentially abolish that group or a portion of the employee base it oversees. Others pointed out that consultants hired to undertake regionalization studies could present a biased recommendation that was more reflective of individual community member opinions and emotions than what was in the long-term best interest of the educational system and the children it serves. It was further acknowledged that the effort required of board members and administrators to undertake such analyses and discuss them with other school districts involved was sometimes more than many of these individuals were willing or able to assume.

The panel believes that there are too many school districts in the State of New Jersey, that the duplication of efforts caused by these separate legal organizations has contributed to the highest average per pupil expenditure in the United States, and that inconsistencies abound in the delivery of educational services throughout the state. Therefore, a prudent and uniform approach is needed to address these issues. Having observed the extent of inaction among school districts in the face of an incentive-based system, the panel is skeptical that meaningful progress can be made under current conditions without strong leadership from the State of New Jersey.

Consequently, the panel recommends legislation that would direct and empower the Commissioner of Education, supported by the county superintendents and in cooperation with the local boards of education and administrations, to identify school districts that might benefit financially and educationally from either regionalization or consolidation of services with other school districts. Once these districts are identified, the Department of Education would be required to undertake studies that would examine those issues specified by statute for consideration in such instances. Such studies would be underwritten by the State of New Jersey and would identify the benefits and detriments of regionalization and consolidation for the particular school districts involved, as well as a recommended course of action. Where regionalization or consolidation is financially and educationally sound but there are barriers to these changes caused by statutory provisions or other short-term financial disincentives, the Commissioner shall seek regulatory relief or subsidies from the Legislature to overcome those barriers. The Commissioner's recommendations would then be discussed and presented to the local school districts and municipalities involved who would be required to justify why such recommendations should not apply to their districts.

It is the panel's view that regionalization and increased use of shared services will improve educational opportunity, both by improving efficiency and by making better use of facilities and professional resources available to local districts. Neither regionalization nor shared services is a panacea, however. They will not substitute for adequate funding of education. The most efficiently run school district will still incur considerable costs, including teachers' salaries, maintenance of the physical plant, and investment in textbooks and technology.

While it is not realistic to expect that regionalization or shared services will allow districts to drastically reduce school spending, it is realistic to expect savings which could be considered for reinvestment in educational programs. Even savings which appear small in relation to a district's entire budget may be very meaningful if they allow the district to take such actions as reduction of class size, enhancement of professional development, or avoidance of program cuts.

In addition to cost savings, both regionalization and sharing of services may allow local districts to improve education through the sharing of expertise. For example, improved articulation of the curriculum and greater opportunities for professional development can be expected in a unified district or in districts that are cooperating closely in a shared services arrangement.

INTRODUCTION

Legislative Mandate

On December 20, 1996, Governor Christine Todd Whitman signed into law the Comprehensive Educational Improvement and Financing Act of 1996.

One component of this legislation created a 12-member Regionalization Advisory Panel whose purpose was to conduct a study and develop recommendations regarding ways to encourage school districts to regionalize or share services. The panel was directed to study the feasibility of regionalizing at the county level such administrative services as overall administration, purchasing, transportation, budgeting and accounting, while maintaining local control at the school district or building level for curriculum, instruction, personnel and management of instructional processes.

In addition, the panel was instructed to study site-based management, use of local parent advisory councils, maintenance of local tax bases and other issues related to regionalization of districts and services.

With this purpose in mind the panel members were selected as delineated in the legislation. Over an eight-month span, the panel reviewed and studied all of the topics described in the legislation with the greatest emphasis given to what the panel saw as key issues which needed to be addressed in this report.

Committee Process

The Regional Advisory Panel held its inaugural meeting on May 23, 1997, and was greeted by Commissioner Klagholz, who thanked the members for volunteering their time to serve on the panel.

Additional panel meetings were convened on June 16, 1997, and August 5, 1997.

Three public hearings to receive testimony on the panel's charge were held on September 18, 1997, at the Department of Education, September 25, 1997, at Morris County Community College and on October 9, 1997, at Atlantic County College. The panel heard testimony from fourteen individuals at these public hearings.

The panel next met on November 17 and 19, 1997, for a two-day working retreat for the purpose of discussing its findings and formulating its report.

A subcommittee of the panel met on December 2, 1997, to write the draft copy of the report.

On December 9, 1997, the panel's report was submitted to Commissioner Klagholz for his review and comment.

The panel met again on January 6, 1998 to make final edits and prepare the final report.

Why New Jersey Should Pursue Regionalization

Historically, many citizens of New Jersey have felt that there are too many school districts with insufficient number of students to offer a broad, articulated and comprehensive educational program. Forced regionalization or forced consolidation has met with resistance because of the social, political, and economic issues associated with local control of educational programs. The challenge facing the state is what it can do to encourage districts to regionalize where appropriate and/or to participate in shared or regionalized services where appropriate, without sacrificing educational quality.

New Jersey currently has 618 school districts including 24 non-operating districts. The Advisory Panel believes that bigger is not necessarily better, but that change should be considered where there is an opportunity to increase efficiency and effectiveness. The focus of this report is to analyze actions that would encourage this change; to foster shared services for efficiency; to increase effectiveness; and, to re-direct resources to the instructional process.

During the course of study, hearing of testimony, and extensive discussion, the panel frequently heard about the strength of public sentiment against regionalization. The sentiment may be based on fear of the unknown or understandable but essentially non-educational concerns. It may also be grounded in the real strengths of smaller school systems. The intimacy and personal nature of a smaller system may promote more individual focus on students and more parent and community involvement; a smaller system may also have less bureaucracy and may allow greater autonomy at the school level to make basic decisions. It is the panel's perception that many of the strengths of small school districts could be retained after regionalization by maintaining neighborhood schools and expanding the use of local parent advisory councils and site-based management, while allowing districts to benefit from the efficiencies of regionalization.

The panel agreed that there are two possible courses of action in an effort to promote regionalization of schools districts:

1. voluntary regionalization
- or
2. legislatively required regionalization

Historical Context

Nowhere is the well known adage more true that "all politics are local" than in the issues related to regionalization of local school districts. From their original foundations, New Jersey school districts have held to the idea that local control of the educational programs for young people ensures that the will of the people will prevail in the design and delivery of educational programming. Confining local schools to local communities made sense in the 18th and 19th centuries. However, as geographic and cultural boundaries have become blurred by modern transportation and communication, the educational program needs of young people are no longer defined by the economic and social needs of the limited geographic reach of local municipalities or communities. The reality is that education in the State of New Jersey can no longer remain a local issue.

Nearly every state in the nation has recognized the need to re-define what is local control in an effort to more effectively provide educational opportunities that reflect the globalization of life in the 21st century. New Jersey has recognized this fact and has adopted Core Curriculum Standards that focus on preparing New Jersey's children for life in a highly competitive, technologically rich, and economically diverse world. For more than 30 years, New Jersey has debated the merits, issues, and problems associated with the delivery of educational programming in a decentralized, highly diverse set of more than 600 school districts. Virtually all reports and studies provided since 1965 have made it abundantly clear that a system of 600 school districts, two thirds of which are classified as "small," organized as independent and disconnected units, cannot possibly achieve the consistent program quality nor economies of scale that life in the late 20th century requires.

Somehow, New Jersey must muster the political will to adopt and implement a new law that will enable the merger of small, programmatically limited, and economically costly districts into larger, programmatically rich and economically efficient units. Only then will New Jersey be able to assure its citizens that the constitutional mandate for a "thorough and efficient" education responsive to the reality of the 21st century will be provided to all children in the state.

ISSUES AND REMEDIES

Statute and Code

Beginning with former Governor Florio's initiative to provide statutory support for regionalization with the enactment of Chapter 67 of the Laws of 1993 and continuing with several legislative initiatives since, New Jersey has acknowledged that the ongoing patchwork of Law and Administrative Code has provided both incentives and disincentives for local school districts to regionalize on a voluntary basis.

It is clear that legislative and administrative efforts have been insufficient to overcome the many real barriers to change. Tax apportionments, rules governing school board representation, limitations of existing categorical aid, and current regulations governing financing school facility construction are some areas in which there may be disincentives to the merger of school districts into regional relationships.

The panel agrees that statute and code serve to perpetuate the existing structure of school districts in New Jersey through cumbersome and inflexible requirements. The panel further agrees that the Legislature, in conjunction with the Commissioner of Education, should direct the Office of Legislative Services, Division of Governmental Relations, to conduct a comprehensive review of all New Jersey statutes, Administrative Code, Commissioner's decisions, and court decisions that impact on the process of school district regionalization and prepare a report recommending specific statutory remedies that will be required to support the panel's recommendations regarding regionalization.

Financial Incentives and Disincentives to Regionalization

The panel found that in many instances where regionalization was or should have been considered by local districts, regionalization was not accomplished because of financial disincentives. Even when regionalization would allow more efficient and more effective education for the regionalized district as a whole, one or more of the districts considering regionalization would suffer an increased tax burden after regionalization. As long as one of the constituent districts has a financial disincentive to regionalize, it is not reasonable to expect voluntary regionalization.

Many of the financial disincentives to regionalization are inherent in our current system of school funding. For example, a district with relatively high ratables or a relatively low number of children may find that its tax burden increases with regionalization. On the other hand, some districts may find that they lose state aid when regionalizing with wealthier districts. To address these and other financial disincentives to creating or expanding regionalized districts the panel recommends that the Legislature should:

1. Create a formula that will allow adjustments in property tax assessments for education for a fixed period of time, so that a district with relatively high ratables is not immediately faced with an unacceptable property tax increase after regionalization.
2. Enact legislation that provides "hold harmless" aid to protect districts that regionalize from losing state aid for a fixed period of time.
3. Adopt a formula that establishes a new category of categorical aid to cover the additional costs associated with merger.
4. Adopt a formula that excludes costs related to regionalization from cap calculations.
5. Create a formula which addresses increased transportation costs.

The financial incentives that to date have been offered to districts that regionalize have not been effective, probably because they were not substantial enough to overcome the short-term financial and political drawbacks to regionalization. Bills have been introduced in the current session of the Legislature (A-680 and S-386) which, using a carrot and stick approach, would provide increased financial rewards in the form of grants and loans to districts that regionalize; continue penalties for excessive administrative spending; and provide that rewards for administrative efficiency be doubled in districts with enrollment greater than 2500 students. In addition, these bills incorporate some of the panel's recommendations of eliminating financial disincentives by providing supplemental state aid for five years after regionalization and providing that regionalization costs be added to a district's pre-budget cap calculations. Although it is difficult to predict either the cost or the effectiveness of this legislation, it appears to be a good starting point if the Legislature wishes to begin with an incentive-based plan.

In addition to directly addressing the financial disincentives through increased or reallocated State aid, the Legislature and the State Board of Education should play a leadership role for educating the public about the long-term financial benefits of regionalization; and about the educational benefits, such as K-12 program articulation, improved staff professional development, and increased availability of a wider range of course and program offerings.

Regionalization: Mandate or Choice

The concept of regionalizing school districts in New Jersey is one that has been researched and debated for many years. The incentives that have been developed and offered to date have not been effective.

There are certainly benefits to promoting regionalization on a voluntary rather than a mandated basis. Not only is voluntary regionalization more politically palatable, but it is reasonable to expect greater cooperation and good will from districts that join together voluntarily. Given New Jersey history, the question, of course, is whether there is any reasonable expectation that voluntary regionalization will actually occur.

If the state wishes to promote voluntary regionalization in a meaningful way, it must take two difficult steps. First, it must be willing to commit substantial resources to providing logistical help and financial incentives. Second, it must be willing to place the decision to regionalize in the hands of local boards of education. School board members, through experience and training, are more likely than voters at large to appreciate the financial and educational benefits of regionalization and to be able to separate the emotional issues from consideration. Local board members may face pressure against regionalization from their constituents. When board members decide that regionalization is so beneficial that they will support it despite political pressure, their action should not be subject to veto by referendum.

History tells us that even easing the path to regionalization and offering greatly increased incentives may not lead to a substantial decrease in the number of districts in New Jersey. The panel is skeptical that inducements and encouragement will be effective. Therefore, the panel recommends that the Legislature consider a systematic review of New Jersey school districts and require regionalization, where appropriate. The time for mere encouragement has passed.

The panel recommends that the Legislature direct and empower the Commissioner of Education to initiate the process of reducing the number of school districts. Through the development of thresholds based on student population, the Department of Education should identify districts that could benefit both financially and educationally from regionalization. Additional studies are necessary to produce information for these districts that will outline the positive and negative impact such change will bring.

Once this information is presented, each district would then be responsible for accepting the regionalization plan or justifying why it should not be implemented.

While this approach places a burden of proof on local school districts, it is intended to bring to light and examine the historical basis on which school districts could gain greater operational and educational efficiency through regionalization. "Local control" can no longer be accepted as a justification to perpetuate economic inefficiencies and to limit the educational experiences afforded the students in these school districts.

RECOMMENDATIONS TO PROMOTE REGIONALIZATION

Meaningful change in the number and efficiency of New Jersey's school districts will be brought about only with strong leadership from the executive and legislative branches of State government. Eliminating the financial and statutory barriers to regionalization may improve the chances of voluntary regionalization and is a necessary first step. Nevertheless, it is the panel's view that even when these disincentives are eliminated, many districts will resist regionalization because of the less tangible barriers: fear of change, fear of loss of local control, fear that valued staff will not be retained, and fear of real or perceived social or economic differences between the communities to be joined.

The panel recommends that the Legislature direct and empower the Commissioner of Education to initiate a process whereby the potential benefits to regionalization are studied. In so doing, the State will remove the political, financial and emotional burden from local boards of education whose members may simply face too much pressure from their constituents to undertake an objective study of the impact of regionalization on their districts.

The recommendations listed below are aimed at focusing state attention on the types of districts that are most likely to benefit from regionalization, ensuring that the benefits of regionalization are studied in those districts, and providing incentives and technical assistance for voluntary regionalization.

The process the panel recommends does not require regionalization for all districts of a particular size or configuration (with the exception of non-operating school districts). While many small districts would benefit from regionalization with neighboring districts, the panel believes that some small districts in the state are successfully providing an excellent and efficient education. A district should not be required to regionalize simply because they have fewer than some arbitrarily set number of students. However, when an objective study shows a substantial benefit from regionalization, the districts involved should be required to regionalize unless they can justify that regionalization is not in the best interest of the children.

The panel recommends that the Legislature take the following steps to facilitate regionalization of those districts most likely to benefit from it:

1. Direct and empower the Commissioner of Education to conduct, in cooperation with local studies, and to finance studies of regionalization in the following types of districts:
 - a. All K-8 and K-6 school districts with 300 or fewer students;
 - b. All limited purpose regional school districts;
 - c. All "doughnut" school districts (any district which is wholly surrounded by another district);
 - d. All districts in sending/receiving relationships.

2. Direct and empower the Commissioner of Education, in consultation with the educational community, to prepare a public information program describing the advantages and benefits of school regionalization.
3. Eliminate non-operating school districts. The panel sees no educational benefit to permitting districts without students to continue in existence. The Legislature should enact legislation requiring districts to merge with another district, in most cases a geographic partner, or one with whom a sending relationship has already been established. The Department of Education should be directed and empowered to work cooperatively with these districts and those that they may join to determine the most suitable partner(s). Statutory or regulatory action may be needed to address the tax consequences for districts of the newly formed regional.

Although the types of districts to be studied are listed generally, the Department of Education must have flexibility to study districts in the order that seems most logical. For example, a regionalization study of a small K-6 district may logically require study of the larger neighboring district with whom it maintains a sending/receiving relationship.

4. Direct and empower the Department of Education to offer financial incentives for voluntary regionalization within a set time period if the studies demonstrate substantial educational or efficiency benefits to regionalization,
5. Direct and empower the Department of Education to require regionalization, if districts fail to voluntarily regionalize within the set time frame, unless the district(s) can justify why regionalization is not educationally or economically in the best interests of the students of the district(s).
6. Direct and empower the Department of Education to provide technical assistance to districts that regionalize.
7. Direct and empower the Department of Education to engage in periodic review of existing regionalized districts to assess the educational effectiveness and efficiency of those districts.

The panel believes that the process for regionalization should be as simple and flexible as possible. To that end the panel recommends that the Legislature:

8. Direct and empower the Department of Education to develop procedures to expedite the creation or dissolution of regionalized districts.
9. Direct and empower the Commissioner of Education to develop procedures which permit a phase-in period of regionalization not to exceed 5 years. The panel is convinced that the regionalization of school districts is likely to be more successful if changes are permitted to be phased-in over time. For example, districts that are likely candidates for regionalization may be permitted to adopt a plan for gradual regionalization (e.g. shared administrative services, business services, personnel, transportation, staff development, technology).

RECOMMENDATIONS TO PROMOTE CONSOLIDATION OR SHARED SERVICES

Consolidation of services or sharing services provides a second means to achieving operational and/or educational efficiency. Sharing of services is particularly appealing to many school districts because it may allow them to achieve some aspects of regionalization while maintaining local control. There are many educational services that can be effectively consolidated at the county level or through consortia. All school districts, including regional districts, can achieve savings through sharing of instructional and non-instructional services with other school districts, municipal and county governments, and regional consortia.

Some types of shared services, such as maintenance of playing fields, snow removal and joint purchase of supplies are particularly suited for cooperative arrangements between school districts and local municipalities. Because this type of sharing is already commonly accepted, and because the municipality and school districts are usually funded by the same tax base, the panel is optimistic about increasing municipal/school cooperation. This cooperation may be particularly meaningful in areas such as shared technology or library services, and may improve the quality of municipal services as well as improving educational opportunities.

The panel recommends that the Legislature take the following steps to facilitate consolidation or sharing of services in all districts statewide:

1. **Direct and empower the Commissioner of Education to require each county superintendent to assess and prepare plans for consolidation of all non-instructional services in collaboration with local school districts, municipalities and county government and community colleges. For example, plans might include the sharing of educational services such as overall administration, purchasing, transportation, budgeting and accounting.**
2. **Enact legislation that requires municipalities and county government to participate in collaborative efforts to consolidate non-instructional services in conjunction with local school districts.**
3. **Direct and empower the Commissioner to require each county superintendent to assess and prepare plans for collaboration and consolidation of instructional planning and services in collaboration with local school districts and community colleges. For example, the panel would expect the requirement of collaboration on curriculum changes to meet the State's Core Curriculum Content Standards. These local education agencies could share resources to provide advanced placement programs, Pre-K, summer school, foreign language, distance learning, school-to-work, special education, and others.**

4. Expand to all counties over the next three years the Pilot programs provided for in the CEIFA, providing \$600,000 for three consolidated county service units.
5. Continue and expand efforts to utilize technology such as interactive television to foster shared services.

CONCLUSION

The panel agrees that the voluntary regionalization of school districts is always the preferred approach to improved educational effectiveness and efficiency. Every effort should be taken to encourage voluntary action.

However, for a number of reasons, New Jersey's public schools have failed to initiate actions that will lead to improved statewide operating efficiencies. Although the panel heard several examples of successful school and service consolidations, some crossing county boundaries, there continues to be a lack of open sharing, communication and a willingness to make difficult decisions regarding regionalization.

The panel's recommendations for the State of New Jersey to take a leadership role in helping local school districts confront those issues is an acknowledgment that meaningful change will only occur via an effective change agent. The ability to prepare for the future is what shaped this nation and it is this ability which should serve as the compass that will guide the future of New Jersey's educational landscape for the year 2000 and beyond.

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New Jersey Association of School Business Officials, New Jersey Department of Education (Florio Administration), New Jersey Education Association, New Jersey League of Women Voters, New Jersey Parents and Teachers Association, New Jersey School Boards Association, Public Affairs Research Institute of New Jersey and

Summary and recommendations from the:

Report of the State Committee to Study the Next Steps of Regionalization and Consolidation in the School Districts of New Jersey (known as the Mancuso Report), April 1969

Public Hearing Testimony - September 18, 1997:

Speakers: Tom McCabe, Manasquan Civic Association
Assemblywoman Barbara Wright, District 14
G. Loy Ehlers, Cape May County Special Services
Jeff Reuter, Burlington County Special Services

Public Hearing Testimony - September 25, 1997

Speakers: Kim Coleman, Superintendent, Morris-Union Jointure Commission
Leonard Margolis, Asst. Supt. Bergen County Vocational-Technical School & Bergen County Special Services School
Dr. Roger Bayersdorfer, Superintendent, River Edge Public Schools
Senator Bill Schluter, District 13
Dr. Ernest Palestis, Superintendent, Mine Hill School District

Written Testimony submitted by: Senator Macinnes, District 25

Public Hearing Testimony - October 9, 1997

Speakers: H. Mark Stanwood, Superintendent, Atlantic County Special Services School
Richard e. Squires, Atlantic County Executive Offices
William Flynn, Superintendent, Atlantic County Vocational School

NEW JERSEY REGIONALIZATION ADVISORY PANEL

ASST. COMMISSIONER
FOR FINANCE

MICHAEL C. BIBB, CHAIRMAN

For Release: January 29, 1998

The New Jersey Regionalization Advisory Panel today issued its final report, which contains a call for new statewide laws and initiatives designed to bring about greater economic and academic efficiencies in local schools through both the combining of school districts and the sharing of services.

The 12-member panel, appointed in May 1997 by Governor Christine Todd Whitman, President of the Senate Donald Di Francesco and Speaker of the Assembly Jack Collins, included in its report to the Legislature recommendations that would increase the state's power and responsibilities over how school districts are organized, offer greater incentives for districts to regionalize, and eliminate New Jersey's school districts that do not operate schools of their own.

The members of the Advisory Panel are Michael C. Bibb, Attorney for the Philadelphia Appeals Office of the Internal Revenue Service, West New York Superintendent of Schools Pablo Clausell, Laurie Fitchett of the New Jersey PTA, Robert Smith the Wood-Ridge Superintendent of Schools, Richard Gable the Hopewell Township (Cumberland County) Superintendent of Schools, Daniel Kaplen, Partner, Arthur Anderson, Virginia Hardwick, Member, Westfield Board of Education, J. Gordon Stanley, Chairman & CEO, Trinity Network Technologies, Terrence Crowley, the Kingsway Regional School District Superintendent of Schools, Edward White, Professor of Educational Administration at Rowan University and Mary Boyle, Assistant Principal at Collingswood High School.

"For decades, educators and elected officials have complained that 616 school districts in New Jersey are too many and are not in the best interest of serving students," said Michael Bibb, chairman of the advisory panel. "It's time to re-think our notions about local control and set up a thoughtful process that will guarantee meaningful reform."

The New Jersey Regionalization Panel, which was established in fulfillment of a portion of the Comprehensive Educational Improvement and Finance Act of 1996(CEIFA) met several times and held three public hearings. The panel said it

found that New Jersey's education system, with more than 600 school boards, superintendents, business administrators and other support services, "has many redundancies and inconsistencies...a prudent and uniform approach is needed to address these issues."

The panel is asking the Legislature to:

- Direct and empower the Department of Education to conduct and finance studies of regionalization for:
 - All K-8 and K-6 school districts with 300 or fewer students
 - All limited regional school districts
 - Any district completely surrounded by another district
 - All districts currently participating in sending-receiving relations.
- Direct the Commissioner to prepare an information program to the public describing the advantages and benefits of school regionalization.
- Eliminating non-operating districts by legislation requiring school districts without students to merge with another district, with the Department of Education's assistance.

The remaining six panel recommendations would:

- Direct the Department of Education to offer financial incentives for voluntary regionalization within a set time period if the studies demonstrate substantial and educational or efficiency benefits to regionalization.
- Authorize the Department of Education to require regionalization if districts do not regionalize within the set time frame. The district would bear the burden of proving why regionalization is not educationally or economically in the best interests of students.
- Direct and empower the Department of Education to provide technical assistance to districts that regionalize.
- Direct and empower the Department of Education to engage in periodic review of existing regionalized districts to assess the educational effectiveness and efficiency of those districts.
- Direct the Department of Education to develop procedures to expedite the creation or dissolution of regional school districts.
- Direct and empower the Commissioner to develop procedures which permit a phase-in period of regionalization not to exceed five years.

The panel's recommendations to facilitate consolidation or sharing of services would:

- Result in legislation that requires municipalities and county government to collaborate with local school districts for the provision of non-instructional services.

- Direct and empower the Commissioner of Education to require each county superintendent to assess and prepare plans for consolidation of all non-instructional services in collaboration with local school districts, municipalities, county government, and community colleges. Plans might include sharing educational services such as overall administration, purchasing, transportation, budgeting and accounting.
- Direct and empower the Commissioner to require each county superintendent to assess and prepare plans for collaborating and consolidating instructional planning and services with local school districts and community colleges.
- Expand to all counties over the next three years the pilot programs provided for in CEIFA, providing \$600,000 for three consolidated county service units.
- Continue and expand efforts to use technology such as interactive television to foster shared services.