Good afternoon Chair Buono, Vice-Chair Sarlo and members of the Senate Budget and Appropriations Committee. Thank you for the opportunity to discuss the Department of Education’s budget for the next fiscal year.

I’d like to take this opportunity to provide you with a better insight into how we go about our work at the department. I want to talk about a number of things that may not get publicity but help us move forward every day in our effort to prepare all of our students to be productive citizens and highly-skilled workers in the 21st century economy.

I am pleased to report that, in keeping with his commitment to education, Governor Corzine has increased funding for state aid to local school districts by more than $300 million with assistance from the federal stimulus money. Education was one of the few areas to see an increase in the Governor’s budget this year. More than 170 districts that had been short-changed for years will receive increases of up to 5%.

For the first time in 35 years, we actually have a funding formula that is based on the needs of students. And it works.

The increases in New Jersey school funding are particularly remarkable given what we are seeing in other states. At least 21 states are cutting K-12 and early education funding. Arizona, Florida, Maine and South Carolina each have cut school aid for next year by an estimated $95 or more per pupil. Other states are cutting aid that was promised for the current fiscal year. Florida and Colorado are talking about going to four-day school weeks to save money.

Clearly, Governor Corzine was a step ahead of other states in taking preventive measures that would soften the blow of our current economic situation.

Yet, despite the additional education funding and the stimulus money, school districts are being forced to make tough choices and so is DOE. We are working to do more with less, just like every other department in state government. Our operating budget for the coming year is slightly more than $71 million, almost $4 million less than the amount budgeted for FY09.

Within the department, we have significantly curtailed travel, reduced what we spend on materials and supplies, eliminated tuition reimbursement and consolidated our staffing from other locations to our main building to cut down on our lease costs. And we will have 50 fewer staff positions than last year, bringing our total staff to about 850. It is important to remember that more than 205 people on our FTE list work for the Katzenbach School for Deaf and are not involved in the department’s day-to-day work.

But even with fewer resources, the department continues to focus on our core mission, which is to make sure that when all students graduate from New Jersey public high schools, they are
equipped with the tools necessary to make any choices they want about the future and are prepared for the 21st century work force. This is why Governor Corzine has charged us with placing such a significant focus on redesigning our educational system. We must make sure that every child receives the quality education that he or she deserves.

Our children must be ready to play a role in a new economy with a level of competition far greater than any of us have ever known. New Jersey businesses no longer compete with businesses in neighboring states, we compete with the entire world. And as President Obama told Congress in his budget address, “the countries that out-teach us today will out-compete us tomorrow.”

New Jersey schools do a superb job preparing most of our students, and New Jersey students continue to perform at the highest levels nationally. But there are still too many students who are not equipped with the skills needed for higher education or the workforce. Every year, students are graduating from our high schools without the reading comprehension or analytical skills to hold down an entry-level job at a utility company or a bank. Every year, students graduating from our high schools must take remedial courses in college because the classes they took in high school have not prepared them for the rigor of college work.

I ask you, what kind of choices will those young adults have, now and in the future? How can they afford to continue in college when they have to spend the first year or so taking – and paying for – courses that they should have had in high school? With limited skills, how are they going to get jobs in an innovation and technology-based economy that will allow them to support a family, to buy a home, to become productive members of our increasingly competitive global society?

If talk or legislation alone could address this problem, it would have been fixed a long time ago. But education reform doesn’t work like that. Improving choices for our kids is something that has to happen on a district-by-district, school-by-school, principal-by-principal, teacher-by-teacher, student-by-student basis.

It doesn’t happen by magic; it's not going to happen overnight; and it doesn’t happen unless DOE takes the lead in working with districts toward success.

The Department of Education does not run most school districts, but we do have a responsibility to make sure they are well-run. That, for the most part, is what we do with our resources. It is about accountability, but is also about establishing partnerships with the local districts to help them succeed. I would like to spend the next few minutes talking to you about some of the programs that have been implemented during the Corzine administration to get that work done.

At your direction and with the help of our executive county superintendents, many districts have embarked on shared services efforts that will bring about significant savings. Right now, Netcong and Stanhope share a superintendent, as do Mine Hill and Wharton, among many others. Even more districts have shared business administrators: Northern Highlands and Ho-Ho-Kus’ shared BA saves the districts $158,000 a year. In Sussex County, Franklin and Hamburg plan to do the same thing starting this summer.
Seven small districts in Cumberland County have come together to share child study team services. Almost every district in Salem County participates in at least one interlocal agreement for shared services for joint or cooperative purchasing. Working with Rutgers, five Middlesex County districts have created the Northern Middlesex Alliance, a transportation cooperative that saved more than $167,000 in its first year. With guidance and coordination from the Executive County Superintendents, districts throughout the state are developing very creative ways to share services and save money.

At the same time, the executive county superintendents have embarked on the community dialogues necessary to propose regionalization and consolidation plans in their counties. I have said many times that consolidation and regionalization will not only bring about financial efficiencies but will enhance educational opportunities and consistency in instruction as well.

To the surprise of many people who have always believed that regionalization is the third rail of New Jersey education policy, people in many parts of our state are now at least willing to talk about it.

Active community dialogues on regionalization and consolidation are taking place in every county. In Bergen County, River Edge, River Dell and Oradell are about to embark on a K-12 feasibility study. Riverside and Delanco are exploring the possibility of coming together, as are Lambertville, Stockton, West Amwell and South Hunterdon Regional High School.

We are not asking people to give up control of their children's education, and we are not expecting cookie-cutter proposals from our executive county superintendents. Each county must find its own balance of local control, fiscal efficiency and educational continuity. Taxation issues, debt service issues, personnel retention issues, governance issues and curriculum issues all must be viewed through each individual district's or region's perspective and individual plans must be thoughtfully crafted and analyzed.

We are also focusing our efforts on improving district operations. NJ QSAC, the state's relatively new monitoring system for district performance, is the foundation of our work, and it took almost two years of trials and pilots to develop.

Under the old monitoring system, the superintendent marked off boxes on a checklist and assembled rooms full of supporting documentation every seven years. Under QSAC, every three years a committee of administrators, teachers, parents and members of the community must perform a complete evaluation of the district, built around the five key areas of district performance: Operations Management, Instruction and Programs, Governance, Fiscal Management and Personnel.

What we have found has been a surprise to many of the early critics of QSAC, who said it was too complicated, too involved and would take too much time. Even districts that did not score well told us how valuable it was to bring the community together for a fresh evaluation of what they were doing. And districts that have received high-performing designations are boasting about it to their communities and to the media.
One of the other purposes of QSAC is to build capacity for self-responsibility in districts that are struggling in various areas. The state can tell people how to do things, but we think it makes more sense to help them understand how to run things the right way themselves. That is the only way to create systemic and sustainable change. We must help build capacity within the local districts.

I'd like to point to some specific examples of progress that has been made in Camden, Newark, Trenton and Paterson, thanks to hard work by the staff in the districts and the department.

This year, thanks largely to difficulties identified in their QSAC reviews, all four of these districts made changes in the way they do their budgets. They made budget choices that clearly put kids first.

Camden has identified more than $7 million in cost savings by improving its management practices. With these efficiencies, administrative savings alone will equal $1.5 million. An additional savings of more than $350,000 will be achieved by combining charter school, non-public school and special education transportation routes.

Newark is in the process of reassigning 50 certified staff members currently working outside of classrooms to hard-to-fill instructional vacancies. The district is also cutting more than $900,000 in consulting costs.

Trenton is reconfiguring grades in the elementary schools and transferring staff to other schools based on a student needs assessment. The district also plans to reallocate existing teaching staff positions to understaffed areas of need or to new programs.

Paterson is consolidating its administrative offices to cut lease costs. The district is re-assigning non-instructional teaching positions to provide additional academic support for at-risk students while increasing funding for instructional materials at the school level. The hiring of an in-house counsel in November 2007 saved Paterson $542,343 in the current school year alone.

Let me move on to a few other areas where the department has been working diligently behind the scenes to effect change and enhance children’s choices.

Research has clearly shown that the most important person in every school building - the person who sets the tone and culture of the school - is the principal. The importance of a good school leader in terms of student achievement is second only to that of a good classroom teacher. Schools that are successful or are making progress toward success are led by strong, well-trained principals who know how to deal with both human relations and education issues.

This past school year, the department partnered with the New Jersey Principals and Supervisors Association, the New Jersey Association of School Administrators and New Jersey Association for Curriculum Development to create a special program for 21 secondary school leadership teams, who had identified problems in the educational programs at their high schools that they committed to fix. The teams met throughout the year to work on bringing about systemic change
in their districts and school communities. We are confident that people will see real differences in those schools.

We have also created the Turn Around Leadership Network to work with principals in schools that are struggling and with new principals. We are partnering with Montclair State University, the College of New Jersey and Rowan University to conduct regional workshops and training sessions and provide communications and other resources to help these school leaders do their jobs better. More than 300 principals in 170 districts – including East Brunswick, Lawrence, Sayreville, Passaic, Sussex-Wantage, West Milford, West New York, Alexandria Township, Jersey City, Newark, the Morris School District, Camden, Lumberton and Salem City – are involved in this work.

We know that we can’t establish more rigorous standards without teachers in all districts who can teach those more rigorous courses. One of the department’s primary functions is the improvement of professional development programs that provide teachers with the tools to provide students with the 21st century critical thinking skills they need to be successful when they graduate.

Hundreds of middle school educators are currently learning about the most effective methods to teach algebra and literacy through DOE-run programs. More than 30 high schools are involved in the High Schools That Work program, which involves teachers in more rigorous methods of instruction, higher-level content in math and science and better methods of engaging students in the learning process.

Most of the people in our Standards Office spend much of their time on the road, speaking at schools and to organizations and associations about how to best teach the Core Curriculum Content Standards. And hundreds of districts – including Ridgewood, Hackettstown, Sparta, Woodbridge and Cherry Hill – are now engaged with Learnia, an element of our assessment system that allows teachers, on an ongoing basis, to create mini-tests that have the same kind of questions as the state tests, so that they have a better day-to-day understanding of how students are progressing in mastering the material.

To address the critical shortage of candidates and lack of diversity in the teaching pool in the fields of science, technology and mathematics, we have engaged in a number of pilot projects in partnerships with organizations like Montclair State University, Drew University and the Center for Teaching and Learning to recruit new teachers in these fields.

One of the best-known projects is the pilot designed to bring displaced workers from the financial industry into math and science teaching. Senators Turner and Ruiz’ bill that will allow this initiative to move forward is awaiting the Governor’s signature and these projects are already being organized.

One of the most important elements of the secondary school redesign plan is the proposal for Personalized Learning Plans. Most of you know that classified students are required by federal law to have Individual Education Plans, or IEPs. These are the roadmaps that districts must follow in meeting the educational needs of special education students.
But right now, in most districts, general education students don’t have the benefit of those roadmaps. In some districts, a few meetings a year with a guidance counselor is the extent of a student’s planning activity.

Under the PLP process, all students will work with adult mentors, including teachers, counselors and parents, to set their learning goals based on personal, academic and career interests, beginning in the middle school grades and continuing through high school. With the vast opportunities that exist today, students need additional support to be able to choose a career path that interests and challenges them. Personalized learning plans help students visualize the possibilities and focus on their goals. They have been shown to increase student attendance and motivation and engage their families in the educational experience in a productive and proactive manner.

Twenty-one states already require PLPs, and nine others have created frameworks for districts to follow. Our two-year pilot program will involve sixth- and ninth-graders in about 20 districts. The proposal has been greeted with great enthusiasm by districts throughout the state, like Mt. Olive, Westville and North Hunterdon/Voorhees Regional, some of which have already started modified PLPs on their own.

Finally, I want to talk about student achievement. Our own assessments show that children are doing better, even though our new tests are more rigorous and we have raised the bar for proficiency. At most grade levels last year, students answered more questions correctly than they did in the past. Our Division of District and School Improvement focuses on helping schools that have been struggling, and I can assure you that progress is being made.

On a national level, New Jersey’s eighth graders are the best writers in the nation at their grade level, according to the most recent results from the National Assessment of Educational Progress (NAEP), the only test that accurately provides state-to-state comparisons. The last time fourth-grade tests were administered, our students trailed only Massachusetts in reading and math.

We attribute these achievements to our sound preschool and early childhood education programs in New Jersey. Our high-quality preschools are providing our youngest students with a solid foundation of basic fundamentals, and the efforts are delivering positive results.

Despite these most difficult fiscal times, Governor Corzine has made a commitment to expand preschool opportunities to more at-risk students throughout the state.

As many of you know, the public preschool system we have established in New Jersey is much more than glorified daycare. We provide certified teachers, small class sizes and a researched-based curriculum to ensure that children from low-income families, who may not have the same resources and opportunities at home as other children, leave preschool prepared properly for kindergarten and beyond.

When these children arrive in kindergarten, they know their letters, their numbers and their colors. They can identify patterns. They know how to sit and listen to a story and wait their turn
in line. They have experienced the thrill of learning and accomplishment. They love to come to school and they are eager to learn more.

I like to look at our preschool program as one bookend with the high school redesign being the other. Take away either bookend, and the other will have a hard time supporting all of the books.

In the case of our education system, the books represent the instruction that happens at each grade level. The entire span of books and supports can be viewed as the operation of DOE and each school district.

If we focus on preschool and don’t bother with increasing rigor in our high schools, we will have squandered the investment made in our children and the tax dollars we utilize to support our education system, and we will be sending far too many of them into college or the workforce unprepared to succeed.

This is very challenging work. The stakes have never been higher. But under Governor Corzine’s leadership, the department has implemented many reforms and initiatives that support the kind of academic success that we must ensure for every child in this state.

Mr. Chairman, I thank you for the opportunity today to discuss the department’s budget and initiatives. I will be more than happy to answer any questions you or other members of the committee would like to ask.