

ASSEMBLY BUDGET COMMITTEE TESTIMONY
FROM THE DEPARTMENT OF EDUCATION
DELIVERED BY ACTING COMMISSIONER CHRIS CERF

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Introduction

Good morning Chairman Greenwald, Vice-chairman Schaer and members of the Assembly Budget Committee, and thank you for inviting me to speak with you today.

Before I discuss the Governor's proposed increased in aid to all school districts and the financial issues that the State and our school districts are facing, I wanted to spend some time talking about the Governor's Education Reform Agenda.

Need For Reform

Despite the fact that New Jersey and most of its schools have much to be proud of, ranking ahead of many states on the NAEP, graduating most of our students and sending many of them to the best colleges in the nation, many schools in our State are persistently failing our children. New Jersey is not consistently providing all of its students the opportunities they deserve, and we owe it to them to finally enact necessary and bold education reform.

Why has reform taken so long when we know that the State of New Jersey has spent considerable time and resources on trying to improve our struggling schools? The reasons are complex but high among them is that for too long, we have not placed children first in many of the policy decisions we make. Ideally, an initiative in a school simultaneously serves the best interests of adults and children, and fortunately that happens often. But there are times that the interests do not align, and when this occurs, it is our duty to place the best interests of students ahead of adults. An example of these misplaced priorities is the practice often referred to as LIFO - 'last in first out'. In New Jersey, this practice is laid out in statute and mandates that school districts must dismiss a teacher who is superbly successful in advancing student learning to save the position of one who isn't - solely on the basis of seniority. How could changing this process to be based on effectiveness instead of seniority not be better for students?

Educator Effectiveness

To improve the effectiveness of educators in New Jersey, the Governor and I have proposed a seven point plan that would refocus our education system on the students.

1. **Evaluation** – We need to enhance the methods used all across our State to evaluate the effectiveness of all teachers. The Governor's Educator Effectiveness Task Force provided an excellent report on how this could be done, with a key recommendation to rate educators using standardized qualitative measures like classroom observations and quantitative measures like test scores or graduations rates.

2. **Tenure** – Once educators are properly evaluated, it is necessary to connect the rewarding and removal of tenure to their demonstrated effectiveness. An educator should demonstrate effectiveness for three years in a row to gain tenure, but if an educator is shown to be ineffective, they should no longer enjoy the job protections that tenure brings.
3. **LIFO** – As I already mentioned, another needed reform is the elimination of the anti-student practice known as LIFO. Statute needs to be changed to make effectiveness the primary consideration for dismissal in a RIF, not just seniority.
4. **Mutual Consent** – We also need to empower principals by giving them more authority over the staff in their schools. We propose the idea of mutual consent so that principals and teachers must mutually approve of a teacher's placement. It would not be appropriate to hold principals accountable for the results of their school, if teachers are foisted upon them whenever another school is looking for a change.
5. **Compensation** – While we are not proposing a prescribed merit pay system, it is necessary to encourage compensation based on effectiveness and teaching in difficult-to-staff subjects and school districts, not solely seniority and degrees with no connection to educator effectiveness.
6. **Due Process** – As superintendents and school boards all across the State will tell you, dismissing an ineffective teacher is very difficult. We need to look at the current due process system to see where we could make it easier to do the right thing for our students while safeguarding educators from arbitrary or improper considerations.
7. **Career Ladders** – The State needs to develop career ladders for educators so that they could advance and gain recognition within their profession. It is important that excellent educators are rewarded as they could be with these proposed ladders.

School Choice

While our proposed effectiveness reforms will improve the quality of instruction in every school over time, school choice is necessary to provide better opportunities to students immediately. A student trapped in a persistently failing school needs a chance to get out today, and the Governor's proposed choice reforms will help expedite that.

1. **Charter Schools** – The Governor has proposed to reform our charter school laws to increase their accountability, encourage the growth of high-quality charter schools and foster their innovation. We look forward to working with the legislature to get these reforms done.
2. **Opportunity Scholarship Act (OSA)** – The OSA will provide an opportunity for thousands of low-income students trapped in persistently failing schools to get a better education without impacting the State budget. It is a win-win for the children and taxpayers of New Jersey.
3. **Interdistrict Public School Choice** – Last year, the Governor signed the expanded public choice program into law after overwhelmingly passing the

legislature, and through its addition of more than 50 new participating schools, we are excited to increase the public school choice opportunities available to students.

New Jersey needs to support all forms of school choice including magnet schools, vocational-technical schools, academies and the programs mentioned above, so that students can find the right fit where they will get the opportunities they need to become college and career ready. Choice makes the overall education system more effective and efficient.

School Funding

Apart from our proposed reforms on which we look forward to working with you, we have some good news this year about State aid. In the Fiscal Year 2012 budget that we are discussing today, the Governor has provided an additional \$250 million in direct aid to all schools with every school district in the State seeing an increase. \$219 million has been added to the school funding formula representing an increase of 3.2 percent. This represents a significant restoration of the unavoidable cuts from last year with approximately a quarter of last year's cuts being returned in FY12. Charter funding has grown by more than \$4 million, and \$11 million has been added to the Interdistrict Public School Choice program to support its expansion. The total pre-school appropriation will not be reduced and non-public school funding will remain the same. It is important to remember that this is in a difficult fiscal environment where many other State programs did not see anything near this level of growth.

It is also helpful to put this increase in the context of the reforms that we have enacted to control local cost drivers. We talked last year at this Committee about controlling the State's ever-escalating education costs, and even though we still have more to do, there have been significant accomplishments to report. We now have a 2 percent property tax cap, and there are only nine school districts in the entire State that have proposed a second question allowing them to exceed that cap. This is less than last year, significantly less than most of the last six years and shows that the vast majority of school districts expect to increase property taxes by 2 percent or less. Another reform is that more teachers, as existing collective bargaining agreements expire, are contributing 1.5 percent of their salaries towards health care costs, which are a large growth driver in education costs. Only 49 districts in the State called for employee contributions to basic health insurance coverage last year, but 238 districts will have employees contribute this school year and an additional 222 will have employee contributions next year. These reforms coupled with the growth in State school aid this year, should mean good news for our beleaguered property taxpayers.

Another initiative that the Department is undertaking to help local districts with their fiscal issues is the Governor's recent Executive Order #58 that he signed last week. We know that school districts are sometimes over-regulated with many mandates that do not necessarily improve the quality of education. The Department needs to take a hard

look at all of the burdens that we place on school districts to see if any of them could be reduced or eliminated without increasing costs or decreasing quality. We are excited to get to work with the task force created in EO #58 to allow school districts to spend more time on what they should be doing – providing quality opportunities to our students.

Thank you again for your time today, and I look forward to working together on these critical issues facing our State.