Introduction
Good morning Chairman Sarlo, Vice-chairman Stack and members of the Senate Budget & Appropriations Committee, and thank you for inviting me to speak with you today.

Before I discuss the Governor’s proposed education budget this year, the largest appropriation of state education dollars in New Jersey history, I wanted to outline some of the work that we have done over the past year to ensure that money spent at the state and district level is aligned to our number one mission – ensuring that every student in New Jersey graduates from high school ready for college and career.

Refocus of the State Department of Education

Within three months of my appointment by Governor Christie last winter, I began a complete review of the New Jersey Department of Education’s (NJDOE) budget, staffing, and relationship with the districts and schools of New Jersey. As part of that review, we surveyed our superintendents to identify how they viewed the work of the NJDOE. Tellingly, only about 22 percent of them said that the NJDOE plays “an important role in helping my district achieve its core mission of elevating student achievement and the number of students who graduate college and career ready.” Although the NJDOE ought to exist primarily to support the increase of student achievement across the state, superintendents overwhelmingly identified the Department as bureaucratic, overly compliance-driven, and lacking the right focus.

Based on this review, the first step we took was to completely restructure the Department around the four building blocks that we believe will have the biggest impact on student achievement. Through this refocus at the state level, we are investing in setting high academic standards and helping teachers meet those standards; ensuring that we recruit, support, and retain the best educators in the country; implementing a new school accountability system and providing timely and actionable data for districts and educators; and launching innovative and successful school models, especially in our highest need communities.

- Academics: In 2010, the State Board of Education adopted the Common Core State Standards in K-12 English language arts and math. These revolutionary new standards define the knowledge and skills a student should master at each grade level to ensure they are on track to graduate from high school ready for college and career. The standards are being implemented over the next three
years, with grades K-2 math beginning this year. To help districts implement these new standards, the NJDOE held over 300 training sessions for educators and is in the process of developing voluntary “model curriculum” as a resource to educators to turn these standards from a concept in Trenton to a practice in the classroom. Lastly, the NJDOE is working to align the state’s assessments to these new standards through a partnership with Partnership for Assessment of Readiness for College and Careers (PARCC) to ensure that our assessments accurately measure college and career readiness.

- **Talent:** In addition to defining “what” students should know, the NJDOE is also investing in “who” is teaching the material. Research is undeniably clear that the effectiveness of the teacher in front of the classroom is the most important in-school factor in raising student achievement. To that end, the NJDOE launched a pilot program this year with 11 districts and 19 School Improvement Grant (SIG) schools to help develop and implement a new teacher evaluation system. The purpose of developing a new evaluation system is first and foremost to provide all teachers with meaningful feedback and data on their performance to help all educators continually improve their practice. The NJDOE is currently learning from the implementation of the pilot in the current school year and the work of all districts next school year to inform full statewide rollout of the new evaluation system in 2013-14. In addition to this support for all teachers, the NJDOE is also looking at teacher preparation programs, teacher retention strategies, and professional development opportunities to ensure that we have the most highly-effective educators.

- **Performance and Accountability:** In February, New Jersey was one of the first 11 states to develop a new school accountability system and to receive flexibility from certain provisions of No Child Left Behind (NCLB) from the US Department of Education. This new accountability system more accurately assesses school performance by measuring both growth and absolute proficiency and targets the state’s resources to our persistently lowest-performing schools. Next year, the NJDOE will also launch new School Performance Reports providing a wealth of useful data to schools and parents to identify and target schools’ strengths and weaknesses. Through this new data and identification, the NJDOE will intervene intensively in 15% of the schools that have significant achievement concerns and will be impatient in supporting and demanding improvement in those schools.

- **Innovation:** The NJDOE has also taken several steps to modernize our school system for the demands of the 21st century and to ensure that all students have access to high-quality school options. Over the last three years, the NJDOE has tripled the number of students participating in the state’s interdistrict choice program, which not only provides options to students and families but allows districts to maximize enrollment and more efficiently use space in their...
districts. The NJDOE has also taken steps to harness the potential of charter schools to innovate and to provide high-quality options to students, especially in our highest-need communities. Through a partnership with the National Association of Charter School Authorizers (NACSA), the NJDOE has strengthened its new-school approval process and accountability measures for existing charter schools. In the past 12 months, the NJDOE has approved 12 new charter schools and closed 4 low-performing charter schools to ensure that every school in New Jersey provides an opportunity for its students to succeed.

**Federal awards**

While these initiatives have helped to ensure that the NJDOE uses its resources to maximize the impact on student achievement, we have also received several federal awards to increase our available resources. This includes, among others:

- $55 million in School Improvement Grants (SIG) to aggressively intervene in 9 low-performing schools.
- $38 million in Race to the Top 3 awards, half of which will go directly to LEAs to support components of our reform strategy, and half of which will be used by the NJDOE in this effort.
- $14.5 million in Charter School Program (CSP) funds to continually increase quality and accountability for our charter schools. This is the first CSP grant that New Jersey has won since 2006.

**Deregulation**

While these initiatives from the state level will ensure that our resources are aligned to help them improve student achievement, we have also undertaken a significant effort to reduce the red tape that limits the flexibility that districts have in using their resources and that focuses district time and attention on compliance rather than student learning.

In 2011, Governor Christie convened the Education Transformation Task Force to review the more than 1,000 pages of state regulations and make recommendations to reduce the regulatory and compliance burden on districts. The Task Force released an interim report in September. A final report, to be released shortly, will provide the opportunity to remove several hundred bureaucratic regulations through the State Board of Education process.

In addition, the Department has already begun to sunset nearly a dozen separate data collections for schools and has improved teacher-certification wait time, making the NJDOE more efficient and service-oriented than ever before.

**Governor Christie’s FY13 budget**
Governor Christie has proposed $11.7 billion in total school aid in FY13, which includes $7.8 billion in K-12 formula aid, an increase of $135 million over last year and part of $213 million in additional state aid to schools over FY12. Through this increase in funding, 90 percent of districts will receive additional state aid on a per-pupil basis this year. On average, state aid is increasing 2.1 percent or $121 per-pupil across the state. Because these measures follow the principle of the SFRA that districts should be funded on the actual number of students they serve, 35 of the 97 districts that will receive less state aid will do so because of an enrollment decrease rather than a decrease in per-pupil aid.

Recognizing that “how well” education dollars are spent is as important as “how much” is spent, the Governor has also proposed four commonsense improvements to the SFRA funding formula. Changing the way money is spent is by far the most important means of actually changing behavior in schools and ensuring that all students, regardless of birth circumstances, graduate from high school ready for college and career. These improvements will all be phased in over five years to ensure stability, and include:

- Return to the weights recommended by the Professional Judgment Panels (PJP) for at-risk and Limited English Proficient students before the weights were artificially inflated during the post-PJP review process;
- For districts that are spending above the level of their adequacy budgets, phase out, over five years, adjustment aid by 50 percent of the amount districts are spending over their adequacy budgets. Adjustment aid was also created after the PJP process, entirely unmoored from constitutional requirements, to guarantee that all districts receive funding at 102 percent of their pre-SFRA level, even if they now serve fewer students;
- Encourage school attendance by basing the enrollment count on actual attendance rather than simply a single-day count (October 15). As referenced in the Education Funding Report, a mere one percent increase in attendance statewide among large high schools would result in nearly 4.2 million hours of additional instructional time per year; and
- Convene a task force to recommend a new method of measuring at-risk students in place of the Free and Reduced-Price Lunch Program, which has shown to be inaccurate and subject to fraud.

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

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1 This takes a 1% increase in each New Jersey regular high school’s attendance rate in 2009-10 converted to additional students * minimum instructional days (180) * school’s instructional time.