

**ASSEMBLY BUDGET COMMITTEE TESTIMONY FROM THE
DEPARTMENT OF EDUCATION**

DELIVERED BY COMMISSIONER DAVID C. HESPE

GOOD MORNING CHAIRMAN SCHAER, VICE CHAIRMAN BURZICHELLI, AND MEMBERS OF THE BUDGET COMMITTEE.

LET ME INTRODUCE DAVID JOYE OF OUR DOE ADMINISTRATIVE TEAM AND KEVIN DEHMER OF OUR SCHOOL FINANCE TEAM.

TO SAY THAT THIS WAS AN ACTIVE YEAR IN EDUCATION IS A TREMENDOUS UNDERSTATEMENT. FROM ASSESSMENTS TO CHOICE TO EDUCATOR EVALUATION, THE DEPARTMENT HAS RELENTLESSLY PURSUED OPPORTUNITIES TO IMPROVE TEACHING AND LEARNING THROUGHOUT THE STATE, ESPECIALLY FOR OUR LOWEST-PERFORMING STUDENTS.

THIS ADMINISTRATION HAS AN UNWAVERING COMMITMENT TO ENSURING THAT EVERY STUDENT GRADUATES FROM HIGH SCHOOL COLLEGE AND CAREER READY.

WE CAN ALSO SEE THAT DEEP COMMITMENT IN THIS YEAR'S BUDGET, WHICH WE ARE HERE TODAY TO DISCUSS.

IN THE FY16 BUDGET, THE GOVERNOR HAS PROPOSED THE FIFTH YEAR IN A ROW OF THE LARGEST APPROPRIATION OF STATE DOLLARS TO SUPPORT EDUCATION IN NEW JERSEY HISTORY.

THIS YEAR, THE GOVERNOR HAS ALLOCATED \$12.76 BILLION TO TOTAL SCHOOL AID, WHICH IS AN INCREASE OF \$811 MILLION OVER THE RECORD SPENT IN FY15. THIS INCLUDES AN INCREASE OF \$4.6 MILLION IN DIRECT AID TO SCHOOLS, AND AN INCREASE OF \$442 MILLION TO TEACHERS' PENSIONS AND BENEFITS.

THIS YEAR SAW ONE OF THE MOST CHALLENGING BUDGETS YET FOR THE ADMINISTRATION AS ALMOST ALL NEW DOLLARS IN THE BUDGET NEEDED TO BE COMMITTED TO BALLOONING EMPLOYEE PENSION AND BENEFITS' COSTS. THE ADMINISTRATION DECIDED EARLY ON TO PROTECT FORMULA AID TO NEW JERSEY CLASSROOMS DESPITE BUDGET PRESSURES. FOR THIS REASON, NO SCHOOL DISTRICT WILL SEE A FORMULA AID REDUCTION RESULTING FROM THE EXTRAORDINARY GROWTH IN THE COSTS OF SCHOOL EMPLOYEE BENEFITS.

I SHOULD ALSO NOTE THAT THIS HOLD-HARMLESS DECISION INCLUDES LAST YEAR'S ADDITIONAL AID OF \$13.5 MILLION IN PER-PUPIL GROWTH AID AND \$13.5 MILLION FOR PARCC READINESS, WHICH MEANS THESE UNRESTRICTED FUNDS WILL CONTINUE TO BENEFIT OUR CHILDREN THIS COMING BUDGET YEAR.

IN ADDITION, THE GOVERNOR HAS PROPOSED ALLOCATING \$2 MILLION TO FUND AN OPPORTUNITY SCHOLARSHIP DEMONSTRATION PROGRAM, WHICH WILL PROVIDE NEW EDUCATIONAL OPPORTUNITIES FOR STUDENTS IN CHRONICALLY FAILING SCHOOLS TO CHOOSE A LEARNING ENVIRONMENT THAT BETTER SERVES THEIR NEEDS.

THIS YEAR'S BUDGET ALSO PROVIDES \$3.3 MILLION IN NEW FUNDING TO THE INTERDISTRICT PUBLIC SCHOOL CHOICE PROGRAM, BRINGING THE TOTAL TO \$52.5 MILLION NEXT YEAR, OPENING THE PROGRAM TO 130 DISTRICTS SERVING MORE THAN 5,500 CHILDREN.

THE GOVERNOR'S PROPOSED BUDGET MAINTAINS THE STATE'S SHARE OF EXTRAORDINARY COSTS OF SPECIAL EDUCATION BY ALLOCATING A TOTAL OF \$165 MILLION. LOCAL SCHOOL OFFICIALS HAVE LONG NOTED THAT THEIR BUDGETS ARE PINCHED WHEN FACED WITH EXTRAORDINARY COSTS OF SPECIAL EDUCATION.

THE PROPOSED FISCAL YEAR 2016 BUDGET INCREASES FUNDING FOR PRESCHOOL EDUCATION BY AN ADDITIONAL \$2.7 MILLION, TO A TOTAL OF \$655.5 MILLION. THIS IS DUE TO ANTICIPATED GROWTH IN THE NUMBER OF CHILDREN ENROLLED IN QUALIFYING PRESCHOOL PROGRAMS, WHICH WILL FUND 142 DISTRICTS AND MORE THAN 50,000 STUDENTS.

LET ME DISCUSS SOME OF OUR INITIATIVES IN GREATER DETAIL.

WE ARE MID-WAY THROUGH THE INITIAL PARCC ASSESSMENT. THE NEW PARCC TESTS REPRESENT THE CONTINUING EVOLUTION OF OUR STATE TESTING PROGRAM TO REFLECT NOT ONLY BEST PRACTICES IN EDUCATION -- FOR EXAMPLE FOCUSING ON APPLIED KNOWLEDGE -- BUT ALSO NEW DEVELOPMENTS IN TESTING, SUCH AS COMPUTERIZED ADMINISTRATION. MANY OF THE TESTS OUR STUDENTS WILL BE ASKED TO TAKE IN THE FUTURE, SUCH AS THE SAT, ARE NOT ONLY BEING ALIGNED WITH THESE SAME BEST PRACTICES BUT WILL BE DELIVERED IN A COMPUTERIZED FORMAT. IN THIS WAY, THE PARCC TESTS ARE ALSO PREPARING STUDENTS FOR THEIR TECHNOLOGY-RICH WORLD OF THE FUTURE. THIS EVOLUTION FROM ACCOUNTABILITY-DRIVEN PURPOSES TO AN INDISPENSABLE INSTRUCTIONAL TOOL HAS BEEN EVOLVING FOR DECADES IN NEW JERSEY.

WE SHOULD BE PROUD AS A STATE THAT SOME 98% OF THE PARCC TESTS WERE TAKEN ON COMPUTERS, WHICH PUTS NEW JERSEY AT THE FOREFRONT NATIONALLY. WE EXCEED ALL STATES IN THE PARCC CONSORTIUM.

IN ADDITION, IN CONTRAST TO WHAT MANY OF YOU HAVE HEARD, PARENTAL REFUSALS WERE VERY LOW, ESPECIALLY FOR OUR YOUNGEST TEST-TAKERS. WE DID SEE MUCH HIGHER PARENTAL REFUSAL NUMBERS IN 11th GRADE, AND THIS IS AN ISSUE WE NEED TO WORK ON IN FUTURE YEARS, INCLUDING POTENTIALLY RECONNECTING THE TEST TO HIGH SCHOOL GRADUATION REQUIREMENTS.

WE ALL HAVE TO REMEMBER THAT THIS WAS THE FIRST YEAR OF A NEW TEST DELIVERED IN A NEW COMPUTERIZED FORMAT BASED ON A BLUE PRINT THE STATE ESTABLISHED SOME FIVE YEARS AGO. AS WE EVALUATE AND LEARN FROM THIS EXPERIENCE, YOU HAVE MY COMMITMENT THAT WE WILL BE RESPONSIBLE MANAGERS OF A CHANGE PROCESS IN WHICH WE CONSTANTLY EVALUATE THE INFORMATION WE RECEIVE AND MAKE CHANGES AS NECESSARY. WE SAW THIS FLEXIBILITY EARLIER THIS YEAR IN TERMS OF MODIFYING THE WAY THAT DATA WILL BE USED BY REDUCING THE WEIGHT OF THE ASSESSMENT IN EDUCATOR EVALUATION TO 10% FOR OUR TEACHERS AND SCHOOL LEADERS.

THIS COMMITMENT MEANS THAT WE SHOULD ALSO BE SENSITIVE TO THE MANY CONCERNS BEING EXPRESSED IN PUBLIC DIALOGUE, SUCH AS OVERALL TESTING TIME THAT WAS ADDRESSED IN THE INTERIM REPORT OF THE ASSESSMENT COMMISSION. OUR STATEWIDE GOAL SHOULD BE EFFICIENCY IN TESTING IN BOTH QUALITY AND QUANTITY.

LET ME BRIEFLY HIGHLIGHT SOME OTHER WAYS THE DEPARTMENT IS SUPPORTING STUDENT LEARNING.

IN THE AREA OF STEM EDUCATION, WE HAVE ADOPTED NEW NEXT GENERATION SCIENCE STANDARDS PUTTING NEW JERSEY AT THE FOREFRONT OF THE NATION IN IMPLEMENTING THIS FUTURE-FOCUSED CURRICULUM.

WE ARE IMPLEMENTING NEW WAYS OF SUPPORTING STRUGGLING DISTRICTS CREATING SYNERGY AMONG OUR PROGRAM STAFF, COUNTY OFFICES AND REGIONAL ACHIEVEMENT CENTERS.

WE ENGAGED THIS YEAR THROUGH STATE MONITORS IN BOTH LAKEWOOD AND ATLANTIC CITY. BOTH DISTRICTS HAVE VERY UNIQUE CHALLENGES WHICH THE DEPARTMENT IS WORKING ACROSS PROGRAMS AND DIVISIONS TO SUPPORT.

WE HAVE CREATED NEW EDUCATIONAL OPPORTUNITIES FOR STUDENTS INCLUDING OVER 20,000 HIGH-QUALITY CHARTER SEATS IN 87 CHARTER SCHOOLS. DUE TO THE LEGISLATURES SUPPORT OF THE *URBAN HOPE ACT*, THE STATE HAS APPROVED 3 RENAISSANCE PROJECTS FOR CAMDEN, AND IN THE FALL THERE WILL BE 7 RENAISSANCE SCHOOLS OPERATING AS PART OF THESE PROJECTS. THESE SCHOOLS PRESENT AN EXTRAORDINARY OPPORTUNITY TO IMPROVE EDUCATION FOR THOUSANDS OF CHILDREN IN THE COMMUNITY. WE ALSO CONTINUE TO PROGRESS IN OUR STATE-OPERATED DISTRICTS, INCLUDING EXPANDING CAPACITY IN THE ADVISORY BOARDS. THE FINANCE AREA WAS RETURNED TO THE ADVISORY BOARD IN NEWARK AND THE AREA OF OPERATIONS IN PATERSON. COLLECTIVE BARGAINING AGREEMENTS WERE SIGNED WITH THE TEACHERS' UNIONS IN PATERSON AND IN CAMDEN. ALL OF THE STATE-OPERATED DISTRICTS ARE MAKING PROGRESS IN IMPROVING STUDENT PERFORMANCE.

OUR EARLY CHILDHOOD DIVISION WAS AWARDED A \$70 MILLION FEDERAL GRANT OVER FOUR YEARS TO INCREASE THE NUMBER AND QUALITY OF EARLY CHILDHOOD SEATS FOR STUDENTS IN POVERTY IN DISTRICTS ACROSS THE STATE.

WE SUCCESSFULLY CONCLUDED THE FIRST FULL YEAR OF IMPLEMENTATION OF OUR TEACHER IMPROVEMENT INITIATIVES UNDER ACHIEVENJ AND TEACHNJ. OVER 113,000 TEACHERS AND OVER 4000 SCHOOL LEADERS PARTICIPATED IN THE NEW EVALUATION SYSTEM, WHICH IS COMPRISED OF BOTH INSTRUCTIONAL PRACTICE AND STUDENT PERFORMANCE COMPONENTS, AS WELL AS TARGETED FEEDBACK TO GUIDE PROFESSIONAL LEARNING. WE ARE WELL ON OUR WAY TOWARD ACHIEVING OUR VISION OF HELPING ALL TEACHERS BECOME BETTER IN THE CLASSROOM AND SUPPORTING ALL PRINCIPALS IN BECOMING STRONGER EDUCATIONAL LEADERS.

WE WOULD LIKE TO THANK THE LEGISLATURE FOR ITS LEADERSHIP IN THE AREA OF CAREER AND TECHNICAL EDUCATION. THE DEPARTMENT, IN PARTNERSHIP WITH OUR COUNTY VOCATIONAL SCHOOLS, IS MOVING AHEAD WITH IMPLEMENTING THE BILL PACKAGE PASSED BY THE LEGISLATURE WHICH WILL HELP PREPARE OUR STUDENTS FOR THE DEMANDS OF BUSINESS AND INDUSTRY. I WOULD LIKE TO THANK SPEAKER PRIETO FOR HIS LEADERSHIP ON THIS ISSUE.

WE CONTINUE TO STREAMLINE THE DISTRICT QSAC CERTIFICATION PROCESS, ALLOWING MANY HIGH-PERFORMING DISTRICTS TO MEET OUR REQUIREMENTS IN ALTERNATIVE WAYS AND BYPASS MUCH OF THE MORE ONEROUS COMPLIANCE ACTIVITIES SO THAT THEY CAN FOCUS MORE ON STUDENT LEARNING.

OUR ACADEMIC DIVISION HAS MADE GREAT PROGRESS IN DEVELOPING RESOURCES TO ASSIST EDUCATORS IN DEVELOPING CURRICULUM AND INSTRUCTIONAL ACTIVITIES ALIGNED WITH OUR COLLEGE AND CAREER READINESS STANDARDS.

WE HAVE CONTINUED TO IMPROVE OUR NJ SMART DATA SYSTEM THAT WILL PROVIDE US WITH NEW INSIGHTS INTO THE EFFICIENCY AND EFFECTIVENESS OF OUR EDUCATIONAL SYSTEM.

WE SAW THE FIRST NEW REGIONAL DISTRICT CREATED IN DECADES IN THE STATE IN SOUTHERN HUNTERDON COUNTY, AND WE ARE ALREADY APPLYING LESSONS LEARNED THERE THROUGHOUT THE STATE SO THAT WE DO NOT HAVE TO WAIT TWO DECADES FOR THE NEXT ONE.

I COULD GO ON AND ON, BUT I THINK YOU GET MY POINT THAT WE ARE PASSIONATE IN OUR COMMITMENT TO TAKE EVERY OPPORTUNITY TO IMPROVE STUDENT LEARNING.

WE WILL CONSTANTLY STRIVE TO IMPLEMENT THESE MULTI-YEAR CHANGE PROCESSES BETTER. AS WE DO THIS CHALLENGING WORK -- OFTEN IN THE FACE OF GREAT ANXIETY AND CONCERN -- WE MUST REMEMBER THAT NEW JERSEY IS A HIGH-PERFORMING STATE ACADEMICALLY TODAY BECAUSE OF OUR LONGSTANDING COMMITMENT TO EMBRACING INNOVATION AND OPPORTUNITY IN OUR EDUCATION SYSTEM THAT PUTS OUR CHILDREN, REGARDLESS OF ZIP CODE, FIRST. WE NEED TO PREPARE STUDENTS FOR THE WORLD AND JOBS OF TOMORROW AND WE CANT DO THAT BASED ON THE CURRICULUM AND INSTRUCTION OF YESTERDAY. THIS IS A MORAL AND ETHICAL OBLIGATION THAT WE HAVE AS A SOCIETY.

THERE IS MUCH GOOD TO BE DONE AS WE WORK TOGETHER ON THESE ISSUES. I VALUE YOUR PERSPECTIVE AND LEADERSHIP, AND I LOOK FORWARD TO ANSWERING YOUR QUESTIONS TODAY.