

Government relations report to NJASL February 7, 2007

State Board of Education:

At its meeting on February 7, the Board received a presentation on [State Assessment Results](#) among other reports.

At its work session on February 21, the Board will consider a Civics Study Group/Rutger's Center for Law Related Education-Report and a Wellness and Nutrition Presentation. Also on February 21, the Board will hear public testimony on Charter Schools, Child Abuse Amendments and Open Topic.

Department of Education:

2006 School Report Cards Released. On February 6, the NJ DOE announced the [release of the 2006 School Report Cards](#), which contain detailed statistical profiles of all public schools in the state. The Education Law Center reports that [test scores for Abbott Districts are holding steady](#) with some Abbott Districts showing good progress. (See State Assessment Results presentation, hyperlinked above.)

DOE releases expert evaluation of Report on the Cost of Education. The [report of the three experts](#) retained to review DOE's *Report on the Cost of Education*, released in December, is now available on the department's web site.

The review was conducted by Dr. Allan R. Odden of the University of Wisconsin, Joseph Olchefske of the American Institutes of Research and Dr. Lawrence O. Picus of the University of Southern California. The review was critical of the DOE report in a number of areas mirroring several of the criticisms articulated at the public hearings. These criticisms included:

- using data that was several years out of date;
- the need to include children qualifying for reduced price lunch as well as those qualifying for free lunch in the category of at risk children;
- the need for more professional development;
- a need to increase the weight for high concentrations of at risk students.

It is worthwhile noting that the reviewers specifically approved the inclusion of librarians, media aides and tech specialists in the professional judgment model used by the DOE.

Davy Establishes new office for fiscal accountability. On February 5, 2007, DOE Commissioner Davy announced the creation of a new Office of Fiscal Accountability and Compliance. The new office is intended to increase the capacity of the department to monitor the expenditure of state funds for education.

In addition, Commissioner Davy also announced the appointment of a State Monitor in the Paterson School District.

State Legislature

Property Tax Reform Passes the Legislature. The Assembly and the Senate have both passed property tax reform and the bills have gone to the governor who has said he will sign them. The measures include a property tax break that varies from 10% to 20%, based on household income, and a 4% cap on future property tax increases. The cap on increases, however, provides for exemptions for a variety of expenses, including bond payments, exceptional increases in health care costs, scheduled growth in pension contributions and cuts in state aid. The Senate vote approving the measure on February 6, was 28 to 10 and the Assembly vote on January 29 was 71 to 8.

Rutgers Study Links Freeze in State Aid to Schools with Rise in Property Taxes. In January 2007, Dr. Ernest Reock published an analysis concluding that "the state aid freeze [of state education funding to local districts] caused massive under-funding of many school districts throughout the state, especially poor non-Abbott districts, and may well have contributed to the property tax crisis New Jersey faces." The paper, "[Estimated Financial Impact of the 'Freeze' of State Aid on New Jersey School Districts, 2002-03 to 2005-06](#)" is available on the website of the Institute on Education Law and Policy (IELP) at Rutgers-Newark School of Law.

Professor Reock also published an [op ed in the Star Ledger](#) on February 2, 2007, articulating his argument that property taxes have skyrocketed because New Jersey has failed to fully fund state aid to schools as required by existing legislation.

Governor's Office

Attorney General rules on constitutionality of property tax proposal. The Attorney General ruled on February 2, 2007 that the proposed property tax rebate that varies with household income does NOT violate the New Jersey Constitution.

Governor says no new school funding formula this year. On February 6, 2007, the Star Ledger reported that Governor Corzine has told lawmakers that a new school funding formula will not be forthcoming in time for school budgets for the upcoming school year. He promised additional aid to school districts but gave no indication on how that aid will be determined.

Budget Address Coming Up. Governor will deliver his budget address to the legislature on Thursday, February 22.

National Issues

ETS warns that America's workforce is likely to grow more illiterate. The Educational Testing Service issued a report on February 5, 2007 entitled, [America's Perfect Storm](#), predicting that the percentage of the U.S. workforce with minimal reading skills will increase in the coming years. This result will occur because of a confluence of

factors including the retiring of the baby boomers and continued influx into the American marketplace of less educated immigrants. These factors will be compounded by the continuing achievement gap between middle class students and low income minorities.

These specific trends were identified before ETS' report but the ETS study examines their combined effect and attempts to predict what will happen if steps are not taken to address the problems.

Increase in Pell Grants likely. Both the U.S. Congress and the Bush administration are calling for an increase in the Pell Grant program which is the nation's main financial aid for low income college students. The president's 2008 budget suggests a Pell increase of \$550 to a maximum of \$4,600. Meanwhile the House has already voted to increase the grant to \$4310. The senate voted to increase the grant to \$5100. Each year, 5.3 million students benefit from Pell grants which have lost value over the past twenty years. In 1987, the maximum grant covered 60% of the cost of the average four year public university. According to the College Board, last year's grant covered only one third of that cost.

NCLB Renewal. The administration's proposal for the renewal of No Child Left Behind will increase the focus on high schools including mandatory dropout-data collection, additional testing standards and more funding for low-income schools. States would also be required to college-prep English and math standards for high schools and administer tests based on those standards by 2012-13. The goal is to coordinate between high school and college courses to build common expectations for students and better prepare them for college and the workplace. The administration's proposal would also extend Title I funding to high schools. Presently, the bulk of Title I funds go to low income elementary schools.