

**STATEMENT OF LEAGUE OF WOMEN VOTERS OF NEW JERSEY
SENATE BILL 2796 (SCHOOL CONSTRUCTION REFORM)
SENATE EDUCATION COMMITTEE
JUNE 21, 2007**

Thank you for the opportunity to comment on Senate Bill 2796.

You may not be aware of the significant role the League of Women Voters of New Jersey played in school construction. In fact, the League was responsible for the New Jersey Supreme Court decision that the state is responsible for 100% of the costs of school facilities in Abbott districts. The League's "amicus curiae" brief focusing on the new school funding law included the background information on school facilities and the legal reasoning why Court action was necessary. That brief formed the basis for the 1997 Supreme Court decision ordering state funding of Abbott facilities. The League's concern and active involvement in the actual provision of safe, healthful and educationally adequate school facilities has continued through the ensuing decade.

1. Conditions in 2007: The extreme failure of New Jersey and its delegated agents to efficiently, effectively and economically – within a reasonable time period – build the schools required by its growing population has turned a large part of the population against any future funding for school construction. It has made provision for building the very large remainder of needed schools far more difficult. These failures by the state will not affect the wealthier districts. They already have built their needed schools and received state aid for which they were eligible. The poorer or poorest school districts, whether Abbott districts or not, are the places where little or no building has taken place. Their students remain trapped in overcrowded schools that lack the educational facilities needed to prepare them for today's world. This is a tragedy, not only for the hundreds of thousands of children in these poorer districts, but also for the future of New Jersey which is dependent on a highly educated workforce to compete in today's world.

2. **FOR THESE REASONS THE LEAGUE OF WOMEN VOTERS URGES YOU TO MOVE IMMEDIATELY TO PROVIDE SUFFICIENT ADDITIONAL FUNDING TO JUMP START SCHOOL CONSTRUCTION. WE ALSO ASK YOU TO COMMIT TO CONTINUE TO PROVIDE SUFFICIENT FUNDS FOR FACILITIES TO ASSURE ALL CHILDREN IN ALL DISTRICTS RECEIVE NEW JERSEY CONSTITUTION'S REQUIRED "THOROUGH AND EFFICIENT EDUCATION".**

We urge this because the same conditions that existed in the early 1990s continue today in a large proportion of schools serving poorer children, including continued overcrowding and continued lack of access to science facilities, technology and

libraries. Furthermore, we continue to fail to recognize that past dropout rates have disguised the number of students who will need to be housed at the 9 – 12 level now that our previous actions already are improving the success rate in lower grades. Likewise, important needs are further disguised because most Abbott districts have a K-8 structure. They need the laboratories, technology and libraries that are found in middle schools in other districts – but do not exist now. How many generations of these young citizens in these unconscionable conditions are the leaders of our state going to tolerate? An adequate and sustainable stream of revenue for funding school construction must be identified – for all the schools and children left out up to now.

3. Community Preschool Providers: The removal of the provision that eliminates the ability of districts to seek funding for preschool projects for non-profit community providers operating Abbott preschool programs for three- and four-year olds will have serious, damaging consequences for the lives of thousands of young children in Abbott districts. For 2004-2005 there were 52,000 preschool students in the Abbott districts. Non-profit community providers serve approximately 65% of these children. Thirteen thousand Abbott children were not attending any pre-school. The capacity for all these children must be provided either in a community preschool provider or public facilities. It will be a difficult challenge for the already crowded public schools to provide the space for that large of an increase.

4. Full-Day Kindergarten: Furthermore, the legislation ignores the need for all-day kindergarten and it is not mentioned as part of the LRF. As the acknowledgement that early education makes a difference grows, it makes sense that this legislation, the DOE and the New Jersey Schools Development Authority recognize that full-day kindergarten as well as preschool will be the norm for all children in the near future. Therefore, the LRF document should require the inclusion of building needs for both in Abbott and non-Abbott districts.

5. Capacity of Department of Education: Since the passage of the school construction funding law in 2000 it has been apparent that the Department of Education does not have adequate staff to carry out its responsibilities. The department's inability to review Long Range Facilities Plans is as old, or older, than that time period. This has particularly affected the Abbott districts where there are far more students and schools and where delays at the DOE continued to hamstring progress. This failure of the DOE to expeditiously review these plans has had a real and costly effect on school facilities. The School Facilities Division is especially understaffed combined with a lack of sufficient expertise to perform this function results in creating a critical shortcoming.

There already exists a joint resolution the DOE to undertake an evaluation of staff, resources and capacities by a third party. Our current understanding is that this has been sidetracked by the DOE reorganization and the proposal made to the third party describes something substantively very different. The goal is to assure that the DOE can perform the functions that are both required by law and that play a major role in

the successful implementation of NJ's school construction program. On a fiscal note, faster action by the DOE will result in fewer dollars spent for school construction.

6. Facilities Efficiency Standards: The DOE has not updated the Facilities Efficiency Standards on the original required basis established in the initial legislation in 2000. The legislation before you removes the time requirement, possibly increasing the likelihood that Facilities Efficiency Standards will fail to be updated in a timely manner. There is also a concern that the expertise to update the Facilities Efficiency Standards, due to the lack of staffing at the DOE, may be limited. These constraints may have significant negative effects on the many school buildings still to be constructed in the Abbott districts. The Commissioner has the power to change school plans, reduce the size and/or change features if the proposed building fails to meet the efficiency standards – no matter how old and out of date such standards may be.

7. Emergency Repairs: Repairs put off create future major construction projects. Yet that is what the Abbott districts are forced to do because they cannot carry a capital reserve fund. The districts apply to the development authority for the funding but due to the funding shortage there is no funding for capital projects available there either. The resulting situation serves neither the Abbott districts nor the taxpayers and should be remedied.

8. District Involvement: Despite recommendations by previous reviewers of the school construction program that involvement of the Abbott districts be increased and strengthened, this bill does little if anything, to legislatively increase their actual involvement or their capability to participate.

9. Financial Incentive Program: In section 33., 22 a., on page 53, changes the wording concerning a “financial incentive program” to promote donations to school facilities projects. The word “shall” is removed and replaced by “may”, and the State Treasurer is included in the decision whether to establish such a program. The incentive payment “shall equal 50% of the fair market value of the donation but shall not in any one year exceed one-half of the amount of taxes paid or otherwise due” from the NJ Gross Income Tax Act. To our knowledge, this feature has not been utilized in the past. LWVNJ opposes the use of such financial incentives that reduce the proceeds of the NJ state income tax that is constitutionally dedicated solely to the reduction of property taxes. We believe it should be stripped from the bill before passage.

10. Administrative Costs of the Development Authority: Of major concern to the League of Women Voters are the administrative costs of the old SCC and the future authority, the New Jersey Schools Development Authority. The administrative expenses are being built into the project costs of the development authority and are therefore paid out of the bonds allocated for construction and eventually paid by New Jersey taxpayers in the form of debt service to repay both the principal and interest on the debt. This is an expensive way of doing business. It was recently reported that

\$36 million was spent to support the SCC. Putting the name “authority” on this organization does not change the fact that its administration is an operational expense of state government.

This new legislation places the new authority “in but not of” the Department of Treasury. Let it be considered exactly what it is, another function of the state government. And let’s pay for it with money raised annually in the budget. This would save taxpayers significant dollars, reduce the amount of debt carried by the state and make available the dollars for their intended use – building schools.