



EDUCATION: CONTROLLING COSTS & INCREASING ACCOUNTABILITY

DESCRIPTION

To increase education quality and to save taxpayer dollars, accountability needs to be a bigger part of New Jersey's K-12 education system. To properly hold schools and districts accountable, New Jersey needs better data to assess their effectiveness and efficiency. In addition, the State has recently instituted several promising accountability mechanisms that should be enforced to the fullest extent possible. Also to promote effectiveness and efficiency, New Jersey should aggressively promote consolidation of school districts and school services.

BACKGROUND

From the summer of 2006 through June of 2007, the State Legislature and its four special session joint committees on property taxes examined many of the reasons for and potential solutions to New Jersey's exorbitant property tax system. Education costs were at the heart of many of the issues that were explored, and greater education accountability was part of the solution.

The NJ Department of Education (DOE) is also in the process of updating its education data management system, dubbed NJSMART. It is a comprehensive data warehouse with student level data reporting and a unique statewide student identification system. Governor Corzine, the State Legislature and Education Commissioner Lucille Davy have indicated that it is a crucial need and top priority for the State. Aspects of it are complete and now in use, but other more simple school statistics, like graduation and drop out rates, are still not uniformly reported in New Jersey. More comprehensive data can be used to better tailor instruction to make schools more effective and efficient.

The DOE recently updated its system for monitoring and evaluating public school districts. It implemented the NJ Quality Single Accountability Continuum (QSAC) in 2005. The new system shifts the focus from compliance to assistance, capacity-building and improvement. It uses a single unified accountability system that incorporates instruction, personnel, fiscal management, operations and governance.

The DOE also has new powers to intervene in a school district to correct fiscal and budget problems with the enactment of the School District Fiscal Accountability Act, and county school superintendents were given greater authority to push local districts for more accountability and efficiency with Assembly Speaker Joseph Roberts' CORE bill, which became law in 2007.

Currently, there are 612 local school districts in New Jersey, more than Pennsylvania, Maryland and Delaware combined. There are some districts with no students, many more with fewer than 100 students and many that do not offer a full K-12 education.

NJBIA POSITION

To more efficiently and effectively use taxpayer dollars in education, New Jersey should improve the data collection, reporting and use in its education system.

The DOE should fully enforce NJQSAC, the School District Fiscal Accountability Act, the CORE bill and other NJDOE powers to provide greater oversight over school districts' efficiency and effectiveness.

Small school districts with few students should be consolidated to improve the chances for accountability, efficiency and effectiveness.

ARGUMENTS IN SUPPORT OF CONTROLLING COSTS AND INCREASING ACCOUNTABILITY

Property taxes are the number one issue for New Jersey residents, education costs are the largest component of property taxes and these reforms can help reduce or control those costs.

NJSMART is already a top priority for New Jersey, and properly implementing it would correct the State's worst grade on the recent US Chamber of Commerce State report card on education. NJSMART and other uniform education data reporting are easy ways to improve education policy. They can show what works and what does not; which high schools need help and which are performing well; and which teachers and administrators deserve credit and which ones deserve blame.

NJQSAC, the School District Fiscal Accountability Act and the Executive County Superintendent have recently become law, and they need to be optimally utilized to provide further reform and strengthening of the schools.

New Jersey is like no other state in terms of the delivery of local government and educational services. The high number of small, inefficient school districts is part of the reason for New Jersey's highest-in-the-nation property taxes. Larger school districts can lead to lower per pupil costs because of economies of scale, less redundancy, more collective bargaining power and a host of other improvements. Quality should also improve because more students will have access to more resources when they are shared in a larger school district.

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