

## TRIMMING THE STATE EDUCATION BUDGET

Across the board budget cuts traditionally have two failings: 1) they tend to penalize successful, cost-effective programs by lumping them with all else; and 2) they fail to apply cost-saving measures ruthlessly in those places in which money is wasted or inefficiently spent. Budget-cutting in the New Jersey Department of Education requires responses to two questions, especially in light of projected state budget shortfalls and the relative proportion of the state budget which is spent on education:

1. Why has the New Jersey Department of Education never prepared a zero-based budget which accounts for and justifies departmental roles and staff positions (especially since such a requirement was being projected for local school districts through Program Oriented Budgeting)?
2. What use has been made of federal and other sources of revenue, and what use is projected for such sources within the department, over and above the state appropriation?

Why should the Department of Education develop a zero-based budget? Lacking such a budget, the department wittingly or unwittingly fosters overload among administrative staff, duplication of efforts within state, regional and local agencies, and leaves open the possibility of double-funding positions and functions with state and external sources.

Were the New Jersey Department of Education to prepare a zero-based budget, we would likely discover the following:

- that the Division of Research, Planning, and Evaluation is overloaded with personnel inventing things for people to do on the one hand, while unable to carry out activities in line with their purpose on the other. For example, money was budgeted for the development of a state "writing assessment test," outside the Department of Education. Yet test development is a normal function of the Division of Research, Planning, and Evaluation. Either a division with a sizable budget lacks necessary expertise, or is a de facto beneficiary of "double funding" of sorts.
- that the Division of School Programs has an incredible number of administrative staff members in Special Education and Vocational Education, perhaps as much as a 25% overload.
- that there is an overload of personnel in the Division of Field Services, especially the County Offices. What are County Office school program coordinators doing now that they are not monitoring? They represent an extra layer of personnel in the educational bureaucracy. Further, the population disparities between counties raise serious questions as to whether many county offices could not consolidate their services based on geography, population, and number of schools, as do the Educational Improvement Centers.

- that many state-mandated programs have been decentralized to good effect, while the State Department has continued to maintain a central bureaucracy. To wit, until recently the Nutrition Education and Training Program placed a consultant and a coordinator at each EIC, while maintaining a coordinator and assistant coordinator in Trenton. A project funding ten employees had six coordinators. Hardly necessary. Drug and Alcohol Education and Family Life Education are parallel situations, in which consultants and coordinators (with commensurate salaries) are housed in regional offices, while the state maintains program coordinators as well.
- that many state positions which pre-dated the intermediate unit system as it developed during the seventies still exist - even though the functions of those positions have properly been delegated to the EIC's or County Offices. Basic Skills has been the prime example: there are basic skills staff in Trenton, in the County Offices, and at the EIC's, all of whom take as their charge providing technical assistance to local school personnel in basic skills improvement. In fact, as the intermediate system is presently structured, only the EIC's should appropriately have such a function. More importantly, these three groups of basic skills personnel must meet with some frequency to orchestrate their efforts and ensure that they do not "get in each others' ways" -- a blatant example of duplication of services and waste of the taxpayers' dollars.
- that even though the Department of Education is the largest of state's department, with a sizable number of state and federal programs to operate and manage, it is nevertheless top-heavy with upper-level administrators. The projected costs to New Jersey taxpayers for the coming year demand justification, and perhaps recasting in a new organizational framework.

Department of Education  
225 West State Street  
Trenton, NJ 08625

Commissioner	\$ 70,000
Deputy Commissioner	63,000
Assistant Deputy Commissioner	48,000
Assistant Deputy Commissioner	48,000
Assistant Deputy Commissioner	46,000
Assistant Deputy Commissioner	43,000
Assistant Commissioner	52,000
Deputy Assistant Commissioner	48,000
Assistant Commissioner	52,000
Deputy Assistant Commissioner	46,000
Assistant Commissioner	53,000
Director	48,000
Deputy Assistant Commissioner	46,000
Deputy Assistant Commissioner	48,000
Assistant Commissioner	52,000
Deputy Assistant Commissioner	42,000
Deputy Assistant Commissioner	46,000
Deputy Assistant Commissioner	48,000

Assistant Commissioner	53,000.00
Deputy Assistant Commissioner	48,000.00
Deputy Assistant Commissioner	48,000.00
Assistant Commissioner	43,000.00
Director	46,000.00
 SUB TOTAL	 1,137,000.00
21 County Superintendents	1,004,363.00
4 EIC Directors	200,000.00
	\$ 2,341,363.00
 15% Fringe	 <u>351,204.45</u>
 TOTAL	 \$ 2,692,567.45

Obviously, the budget must provide direction for the major task a new Commissioner will encounter: eliminating duplication of efforts and the resulting waste of dollars. Perhaps the present budget should be returned to the Department of Education for redrafting in a zero-based format, as the state department thought was appropriate for local school districts.

A zero-based budget will assure appropriate allocation of monies to various programs; further a consideration of the projected use of other sources of revenue will clarify how the state expects to maintain essential educational services, previously funded by federal entitlements, while striving for cost-efficiency. Hence the second major question must be answered.

To work in conjunction with a zero-based budget, the State Department of Education needs a comprehensive plan for school improvement services. Such a plan would guide decisions about the discrete functions of various intermediate agencies, and more especially how federal dollars are in fact expended for school improvement. The State Department projects \$13 million in block grant income under the "Educational Consolidation and Improvement Act of 1981," of which the department will retain about \$2.5 million. Since this projection represents a loss of 12-15 million dollars in federal support for school improvement, "skimming off" 20% of the Block Grant money coming into the state for administrative purposes is not likely to make a lot of sense to local schools and taxpayers who already perceive that the State Department of Education is overstaffed. The 20% skim-off is all the more distasteful if one realizes that what the Department is essentially telling the public is that it will cost about \$2.5 million dollars to administer and manage 10.5 million dollars of local school improvement funds. Perhaps the State Department should instead offer a contract, putting those administrative services out for bid.

- In any case, the bulk of that 20% should not be used by the State Department of Education to fund staff positions per se. Those dollars are intended for school improvement, they rightfully belong to the taxpayers, and it is hard to imagine that the citizenry would choose to place those dollars in the state department bureaucracy.
- The state's portion of Block Grant funds could be shared among local school districts. Since the dollars which most school districts will receive are not of sufficient magnitude to fund much of anything in the way of a significant school improvement effort, they might better be used as incentive funds to seed joint improvement projects for

consortia. In that way the effects of the funds would be multiplied significantly, and could be distributed in accord with their real purpose.

In tackling the problems of the Department of Education, the State would do well to help the Department apply what it has exacted from local school districts for the past eight years: a viable management system and a zero-based budget. Few people are unwilling to work to cut the present state budget in an effort to improve the State's economy if they perceive that cuts are fair and not at the expense of those who need assistance. The worst possible indictment for the Kean administration would be that it cut the budget at the expense of vital educational services while maintaining an overstaffed and wasteful bureaucracy.

- Bill -

DRAFT - Budget Letter/Education

4/12/82  
Fenske

Dear

Thank you for your letter concerning the proposed State budget for education. I understand and appreciate your concerns ~~over some of our budget proposals~~. No area of the budget received the full amount of money that was requested. ~~However, these steps are necessary if we are to balance our budget, create and maintain jobs, continue vital services and rebuild our transportation network.~~ *Some economies were necessary as we attempted*

In spite of ~~all~~ <sup>our</sup> fiscal difficulties, maintaining quality education in this state remains my highest priority. The proposed budget reflects ~~my~~ <sup>my</sup> commitment to that goal. I have recommended a total of \$2 billion dollars for education programs; almost 30% of the total State budget. This is the largest increase to education since the "thorough and efficient" law was passed. In fact, as a percentage of the State budget and in terms of total dollars, aid to education is higher for fiscal year 1983 than it has ever been before. I believe the proposed budget provides the maximum support to education while meeting our overall fiscal requirements.

The budget my Administration has developed and which I have submitted to the Legislature for action requires sacrifice on the part of every department of State Government. Upon taking office on January 19, I found a \$527 million dollar deficit, the largest in the history of our State. When we added the immediate needs of transportation and prison space to our inherited budget problems the deficit increased to \$730 million dollars.

Ed. letter/fenske

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We could no longer continue to defer costs to future years and generations. Therefore, the proposed budget is a program to cut the size and scope of State expenditures, while meeting the pressing needs of New Jersey's future.

First we examined every program proposed by government and as a result, we cut \$475 million dollars from departmental requests. This is one of the largest such reductions in history. Among the cuts ordered was \$40 million dollars for the salary budgets of various departments. This should result in the first real reduction in the number of State employees in modern times. To meet the needs of transportation, we have reluctantly proposed an extension of the sales tax to gasoline. The proceeds, estimated at \$200 million dollars, will be dedicated solely for improving our transportation network.

The proposed budget addresses several other problems as well. Fifty-six percent will go back to local governments to hold down property taxes. In addition, there is a program of tax relief for small businesses in the State, ~~It provides~~ more money to put police officers on the streets of our cities, and ~~will create~~ additional prison space to assure that criminals who belong in jail go there. <sup>This budget also</sup> ~~It will~~ return some \$50 million dollars in casino tax revenue to programs to help senior citizens.

This budget proposal charts a positive course toward creating jobs, improving transportation, assuring better public safety, and aiding education. I hope this letter responds to your concerns and questions.

Thank you for sharing your thoughts with me.

Sincerely,

Governor

THK/Fenske

4/26  
LEADERS -  
NJ CATH.  
CONF.

LEADERS  
ED  
5/19/82

① 3 abortion clinics - claim that they do not need to file for Cert. of Need. See themselves as a private office.

Decision by Adm. Law Judge Sullivan agreeing with clinics. Now on Mayor's desk. She can refuse to accept ruling if she chooses, or she can require a CON.

⌘ Please review it carefully. See handout.

② Textbook statute - delivery same for private and public schools. \$20.36 per ~~per~~ pupil. Cut to \$18.60 "as per Gov." ?? Diff. to be made up by local dist. See handout.

③ Lutheran bishop asked yesterday re S-896 Senate 3/1; Ass. 5/17. Camden prison to hire Camden people. Urge signature by Gov.

④ NJ Coal. of Concerned Parents 5/7/82 meeting with Todd. Oppose family life educ. curriculum mandate.

A-515 Paterno's bill - elimin. mandate and guarantees parental involvement.

Cath. Conf. has actively supported the mandate  
Opposed to A-515.