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ABSTRACT

Citing longstanding educational deficiencies in the Jersey City Public School System, the New Jersey State Board of Education unanimously voted to take control of the district on October 4, 1989. This paper studies the first year of New Jersey's takeover policy for failing school districts. Data were collected through interviews, direct observation, and document review. The paper describes the development and operation of the monitoring system leading to state takeover, addresses the reasons for targeting Jersey City, discusses district accomplishments during the first year of state control, and describes the external forces influencing takeover. A year after state operation, school improvement seemed to have begun; efforts were made to educate and involve parents and the community, improve building facilities, expand prekindergarten programs, and ensure greater fiscal accountability. However, provision for additional funding was lacking, along with mandates ensuring availability of state department of education resources. Jersey City was also handicapped by an omission in the law preventing acquisition, construction, or major repair of buildings. Although the state-appointed district superintendent concentrated on evaluating staff, legal provisions guaranteeing seniority rights merely reshuffled personnel instead of removing many staff formerly in charge. (35 references) (MLH)

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# State Takeover of a Local District in New Jersey:

## A Case Study

Margaret Dolan

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**CONSORTIUM FOR POLICY RESEARCH IN EDUCATION**

# **State Takeover of a Local District in New Jersey:**

## **A Case Study**

**Margaret Dolan**

**April 1992**

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## Abstract

Citing longstanding educational deficiencies in the Jersey City Public School System, the New Jersey State Board of Education unanimously voted to take control of the district on October 4, 1989. The Jersey City takeover marked the first time in this country that a state took both educational and administrative control of a solvent school district.

This paper is a case study of the first year of the first implementation of New Jersey's takeover policy for failing school districts. Data for this case study was collected through interviews, direct observation, and document review.

The paper describes the development and operation of the monitoring system that can lead to state takeover and addresses the reasons for the choice of Jersey City as a takeover target. The paper also discusses the work accomplished in the district during the first year of state control and the external forces that have had an impact on the takeover operation.

By the end of the first year of state operation, it appeared that school improvement had begun in Jersey City. Efforts were being made to educate and involve parents and the community. Improvement of building facilities had begun. Pre-kindergarten programs had been expanded. New controls for district fiscal operations were in place.

However, the legislation authorizing state takeover lacked provision for additional funding for the target district, nor were there mandates that state department of education resources be made available to the district. In fact, Jersey City was handicapped as a state-operated district because of an omission in the law which prevented the district from beginning any acquisition, construction or major repair of buildings.

Further, although the state-appointed district superintendent had to spend a large amount of time evaluating staff during the first year, provisions of the law guaranteeing seniority rights translated into a reshuffling of personnel rather than removal of many staff formerly in charge.

This paper only examined the first year of the implementation of New Jersey's policy for failing school districts. Further study will be necessary in order to judge the success of this implementation.

This paper is one of four case studies dealing with different approaches to regulation of schooling. Each case study was designed either to be used separately or in conjunction with *Takeover and Deregulation: Working Models of New State and Local Regulatory Relationships* by Susan H. Fuhrman and Richard F. Elmore.

The basic facts of the separate cases are incorporated into the analytical paper. However, the cases include little explicit analysis, and are as descriptive as possible. Therefore, the cases may be used to provoke independent analysis and discussion of regulatory issues. For information on obtaining these papers, please see the inside cover of this publication.

## **Acknowledgements**

As with any work of this nature, many individuals provided assistance which should be acknowledged. Susan Fuhrman's thoughts, questions, and suggestions greatly influenced the structure of this case study. Carolyn Herrington provided a helpful review. The painstaking and important tasks of editing and formatting were graciously and efficiently completed by Diane Massell and Pat Michaels. And finally, thanks must be given to the many policymakers, administrators, teachers, parents, and resident of Jersey City whose thoughtful answers were vital to this study.

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## **Biography**

Margaret Dolan is currently a doctoral candidate in educational administration at Rutgers University and is employed as a school assistance coordinator by the New Jersey Department of Education. The author is a Jersey City native and before joining the department she worked as a teacher and administrator in public school systems in northern New Jersey.



## Introduction

This paper is a case study of the first year of the first implementation of New Jersey's takeover policy for failing school districts. Citing longstanding educational deficiencies in the Jersey City Public School System, the New Jersey State Board of Education unanimously voted to take control of the district on October 4, 1989. The Jersey City takeover marked the first time in this country that a state took both educational and administrative control of a solvent school district.

Data for this case study was collected via interviews, direct observation, and documents. Formal interviews were conducted with 56 individuals, including legislators, state department administrators and staff, spokespeople from major educational interest groups, members of the state team in the school district, district employees from all levels of the organization, and community members. Direct observations took place at state board of education meetings, local board of education meetings, public hearings, professional meetings, parent meetings, and school programs. State documents, district documents, newspaper and magazine articles, judges' decisions and district budgets were also reviewed for this study.

There are six sections to this paper. The first describes the setting and structure of the public education system in New Jersey and includes a detailed explanation of the monitoring system that can lead to state takeover. The second section defines New Jersey's conceptualization of takeover and details compromises that were made to this policy as part of the legislative process. Reasons for the choice of Jersey City as a takeover target are outlined in the next section. The fourth section discusses the implementation of the plan and work accomplished in the district during the first year of state control. The fifth section also discusses school improvement efforts, but focuses on responses to unique requirements of the state's takeover policy. The final section details external forces that have had an impact on the state takeover of the Jersey City Public Schools.

## The Setting and Structure of New Jersey Public Education

New Jersey, the most densely populated state in the United States, has more than one million elementary and secondary students in its public schools. These students attend classes in 590 school districts throughout the state. The majority of the state's municipalities strongly defend their right to have their own school system and, as a result, over 100 districts have less than 300 pupils. Only 14 school districts in the state have enrollments over 9,000. The 30 poorest districts in the state, as defined by local property value and personal income, serve one quarter of the student population.

New Jersey's constitution calls for several agencies to share authority and power for educating the state's youngsters. According to this document, the state legislature has the prime and absolute responsibility for ensuring that all children between the ages of 5 and 18 are provided a thorough and efficient education.

The state department of education is a principal department in the executive branch of New Jersey's government and is responsible for the general supervision and control of all elementary and secondary public education in the state. A state board of education serves as the head of the department and is comprised of 12 residents of the state and a representative of the state board of higher education. Members of the board are appointed by the governor with the advice and consent of the state senate and serve overlapping six-year terms without compensation. A commissioner of education is appointed by the governor and serves as the chief executive and administrative officer of the department of education. The commissioner is considered the official agent of the board for all purposes. The responsibility for ascertaining the thoroughness and efficiency of operation of the public schools of the state rests with the commissioner.

Each local school district is governed by a board of education. Individuals must reside in a district for at least one year in order to serve on a board. In most districts in the state, board members are elected by local voters. Board members are appointed by the mayor or other chief executive officer of a municipality in less than 10 percent of districts. State law mandates that local boards enforce the rules of the state board of education and perform all acts consistent with law for the conduct, equipment and maintenance of the public schools.

The manner in which public schools in New Jersey are funded has been an issue of debate in the state's courts for the last twenty years. In 1969, residents, taxpayers, and officials from several municipalities brought suit against Governor Cahill charging that the funding system was unconstitutional. The suit, *Robinson v. Cahill*, argued that the existing system of financing public schools largely through local property taxes created unequal educational opportunities for children in property-poor districts and therefore

denied these children the "thorough and efficient" education called for in the state's constitution.

In 1973, the New Jersey Supreme Court ruled in favor of the plaintiffs in *Robinson v. Cahill* and declared New Jersey's system of financing education unconstitutional. The decision required the legislature to define what constitutes a thorough and efficient education and then to come up with a design for financing that would guarantee such an education to every public school student in the state. The decision made clear that the ultimate responsibility for ensuring that each student was provided a thorough and efficient education rested with the state itself.

The legislature passed the Public School Education Act of 1975 in response to the *Robinson v. Cahill* decision. This act defined in general terms what constitutes a thorough and efficient education, established guidelines and monitoring procedures to ensure progress toward thorough and efficient education goals, and established a funding structure to ensure adequate financial resources to implement a thorough and efficient public school system. The law states that if a local district fails to provide a thorough and efficient education as defined by the legislature, then the state board would have the authority to issue an administrative order specifying a remedial plan to the local board of education. Such a plan may include required budgetary changes.

A 1981 law suit, *Abbott v. Burke*, charged that spending disparities between rich and poor districts had actually widened since the 1975 act. The decision for the suit was not rendered until June of 1990. Then, the state's supreme court found that the Public School Education Act of 1975 was unconstitutional as applied to poorer urban districts and demanded that the act be amended to ensure funding of education in poorer urban districts at the level of property-rich districts. New Jersey adopted a new funding system in 1990 in order to comply with the court's decision.

In 1975, following the requirements of the existing law, the state department of education, with the leadership of then Commissioner Fred Burke, developed a monitoring system to evaluate the performance of school districts. Under this system in the late 1970s and early 1980s, all districts in the state had to be assessed annually on more than 300 separate items. Districts had to prove compliance with these state requirements through paper documentation.

In 1982, new administrations were installed in both the governor's and commissioner's offices. The new commissioner, Saul Cooperman, had been superintendent in a district in the state and had undergone the monitoring described above which had lacked a mechanism to ensure that identified problems were addressed. Commissioner Cooperman delegated the responsibility for developing a new system of monitoring to the Assistant Commissioner of County and Regional Services, Walter McCarroll.

In January of 1984, a revised monitoring and certification procedure was adopted in the state. Under this system, districts were evaluated on 51 state standards, both process and performance, grouped into 10 general categories: planning, school and community relations, curriculum, pupil attendance, facilities, staff, mandated programs, basic skills achievement, equal educational opportunity and affirmative action, and financial. Districts that met state standards received certification and did not require monitoring for a five-year period. All districts in the state were monitored with this process between 1984 and 1986. Ninety percent of the districts were certified in this first stage, Level I monitoring.

Districts that failed to meet state requirements in Level I monitoring were placed in Level II and mandated to conduct a self-study and develop and implement a plan to address the district's deficiencies. This plan had to be approved by the state department of education and the implementation of the plan was monitored by the department at least once every three months. Districts in Level II were given a minimum of one year to devise and implement such a plan. Upon completion of the activities in the improvement plan, the state department made a determination of the scope of subsequent re-monitoring. This monitoring could be limited to the standards failed in Level I or could include any or all indicators which had been satisfied in Level I. Districts that corrected their problems at this stage were certified for five years.

As the monitoring system progressed in 1984 and 1985, officials at the state department became concerned over a few districts which appeared either unwilling or unable to correct identified deficiencies.<sup>1</sup> Although state statutes clearly allowed the commissioner the power to intervene in such districts, the history of such interventions in New Jersey was not encouraging. Interventions limited to fiscal matters had been undertaken in Newark in the mid-1970s and less than a decade later in a city next to Newark, East Orange. Department officials felt limited in their ability to effect changes in these districts. But perhaps the most troubling memory for state officials contemplating taking "whatever action the commissioner deemed appropriate," was the state's experience in the state capital city, Trenton.

In the late 1970s, the state department identified a number of deficiencies in the Trenton school district. When the local board of education refused to institute a remedial plan to correct these deficiencies, then Commissioner Fred Burke ordered the district to show cause why corrective action should not be taken. After court hearings, a monitor general was appointed to supervise all activities in the district.

The monitor general was in place in Trenton from 1979-1982. The local board challenged some of the actions of the monitor general, but in 1981 the New Jersey Supreme Court ruled that the commissioner had the authority to appoint a full-time supervisor to oversee all aspects of the district's operations. "All aspects" were found to include reorganization of staff and curriculum and control of district hiring and firing practices.<sup>2</sup>

In public hearings held in 1986, state officials involved in the Trenton intervention suggested that they had assisted the district to a point where it had achieved approximately 70 percent of state monitoring requirements. Commissioner Cooperman and Assistant Commissioner McCarroll believed that efforts in Trenton were not ultimately successful because the state had to contend with a local board of education which did not support state intervention. Cooperman claimed that full cooperation from district personnel was not forthcoming because the board had made it clear that they were going to be around after the monitor general had left. McCarroll pointed out that every action taken by the state was challenged in court by the board. Although the state eventually was supported by the courts, such legal actions took time and energy away from the task at hand—improving the education provided in Trenton.<sup>3</sup>

To summarize, the following conditions existed in New Jersey in the mid-1980s:

- The courts had held that the state is ultimately responsible for providing a thorough and efficient education for all students in New Jersey.
- Through its monitoring system the state had determined that a handful of districts were consistently failing to meet standards for a thorough and efficient education.
- Citing a string of unsuccessful intervention attempts in the state, New Jersey's Commissioner of Education Saul Cooperman, judged that the powers available to him were not sufficient to effectively intervene in deficient school districts.

The state department of education's response to these issues was to look for a final step in the state's monitoring process. What happens when a district cannot or will not provide a thorough and efficient education for its students? How can the state fulfill its ultimate responsibility of ensuring such an education? In the mind of the commissioner of education, a new policy was needed.

## State Takeover—The Concept and the Legislation

Traditionally, more than 20 states in this country have permitted state authorities to take action in school systems that are deficient in key areas.<sup>4</sup> In the 1980s Arkansas, Georgia, Kentucky, New Jersey, New Mexico, Ohio, South Carolina, Texas, and West Virginia passed laws empowering the state education authority to intervene in school districts which are failing to deliver the education required by their state constitutions.<sup>5</sup>

New Jersey's concept of state takeover is based on a metaphor taken from the business world. Former Commissioner Cooperman explained that, as he pondered over what to do with districts which continually failed to meet state standards, he began to think of how other sectors dealt with similar problems. He considered that when a business violates its charter a person or board is appointed by the court to administer the affairs of the organization. Cooperman felt that a similar process could be developed for schools found to be "academically bankrupt."<sup>6</sup>

In June of 1986, New Jersey's Plan to Intervene in Deficient School Districts was unveiled. This two-part plan called for the addition of a Level III of monitoring and outlined a process which could lead to the establishment of a state-operated school district. At the beginning of the Level III process, a team of educators from districts throughout the state would be called in to visit the district in an effort to determine why the Level II plan had not been successful. At the same time, a group from the state department known as the compliance unit would investigate the district's governance, management, and financial affairs. The findings of these two groups were to be presented to the assistant commissioner for county and regional services. The assistant commissioner would then either require the district to put together and implement a Level III corrective action plan or order a "comprehensive compliance investigation." The latter involved a thorough examination by the state department and by outside auditing firms of all district actions.

Once a comprehensive compliance investigation had been completed, the assistant commissioner would submit to the commissioner a recommended administrative order for correction of the school district's deficiencies. Plenary hearings would follow. Short of the actual establishment of a state-operated school district, the commissioner would then be empowered to order the implementation of the administrative order and such other relief as he may deem appropriate. If, based on the record of the plenary hearing, the commissioner believed that a thorough and efficient education was not being provided in the district, he would make that recommendation to the state board. The board would then have the authority to issue an administrative order establishing a state-operated school district.

New Jersey's Plan to Intervene in Deficient School Districts also provided a framework for the operation of state-operated school districts. The district was to be run

by the state for a minimum of five years. Once a district was designated as a state-operated district, school board members would be removed and the local board of education would cease to function as the governance unit of the district. The chief school administrator and other central office administrative staff positions would be abolished. The governance and management of the state-operated district was to be the responsibility of a state appointed superintendent. The state district superintendent would have one year to evaluate all building principals and, notwithstanding the state's tenure laws, was to be given the power to dismiss principals based on this evaluation. All costs associated with state intervention were to be borne by the local district. When, after a minimum of five years, all cited deficiencies had been corrected by the state district superintendent and the district had met all state certification standards, the commissioner would recommend to the state board of education that a local board of education be appointed and local control re-established.

The establishment of a state-operated school district was a matter which required changes in state statute. From the beginning, this legislation had the backing of then Governor Thomas Kean, a Republican who in 1985 was elected to his second term with an impressive 70 percent of the vote. Before his career in politics, Kean had worked as a teacher and viewed himself as "The Education Governor."<sup>7</sup>

Without the active support of this popular governor, the takeover legislation would never have been passed.<sup>8</sup> Indeed, even with this support, it took two years for the legislation to become law.

The bill for state operation of a school district was introduced in the legislature on June 30, 1986. The largest teachers' union in the state, the New Jersey Education Association, lobbied hard against the provision of the bill which called for the suspension of the tenure rights of principals. A compromise was eventually reached with the union whereby principals would retain tenure rights, but the state district would be ensured expedited tenure hearing procedures. Disagreements then arose over whether the state should pay the full share of any costs incurred by failing school districts. An agreement reached on this matter called for such districts to be paid on current year funding instead of the prior year funding used in the state's financing formula. With these two amendments in place, the bill for the state operation of a school district was passed by both houses in December of 1987 and signed into law by the governor on January 13, 1988.<sup>9</sup>

## **The Choice of Jersey City as a Takeover Target**

Jersey City, the second largest city in New Jersey, is located in the northern part of the state directly across the Hudson River from Manhattan. According to 1985 figures from the United States Bureau of Census, 220,248 people live in this 13 square-mile urban center. In the census bureau's ranking of the one hundred largest cities in the United States, Jersey City's population density of almost 17,000 people per square mile ranks second only to that of New York City.

Situated behind the Statue of Liberty, Jersey City has been a city of immigrants for most of its history. Based on 1985 census data, the population of the city is 51 percent white, 28 percent black, 8 percent Asian, and 13 percent "other". The Hispanic population, which includes any race, accounts for 21 percent of the total population. A racial breakdown of the public school system is somewhat different. According to the district's 1988-89 Fall Report, 13 percent of the students are white, 44 percent black, 34 percent Hispanic, and 9 percent Asian. The differences are due mainly to a well-established network of parochial schools within the district.

In the 1988-89 school year Jersey City served 28,083 students from pre-kindergarten to twelfth grade. The district operates 5 high schools, 28 elementary schools, and 4 special purpose schools (3 special education, 1 gifted and talented). Approximately 55 percent of the district's students receive federal or state remedial education. Bilingual or English as a Second Language instruction is offered to students from over 30 language backgrounds.

The district's budget for the 1988-89 school year was \$180 million. Per pupil cost in the district for the year was \$5,654, which was \$470 over the state average. Seventy percent of this budget came from federal and state funds. The bulk of the budget (67 percent) went towards salary accounts.<sup>10</sup>

Level I monitoring of Jersey City had begun in 1984. At that time, monitors judged that the district had failed 32 of the 51 state requirements for certification. When Jersey City was again evaluated in the fall of 1986, monitors of the Level II process found that the district had still not met 29 of the 51 state requirements and had not developed a plan to solve its problems. From December of 1986 to May of 1987, an external team made up of educators from urban districts throughout the state and the compliance team from the state department of education conducted a preliminary Level III review, examining the district's educational programs, governance, management and fiscal operations. They found that the district had repeatedly failed to meet state standards in the areas of curriculum; facilities; finance; student attendance and test scores; staff certification and evaluation; and provision of mandated programs such as special education, bilingual education and remedial basic skills instruction. Based on the findings of these two teams,



the state department determined to conduct a Comprehensive Compliance Investigation (CCI) in Jersey City.

As part of CCI, the consulting firm Cresap, McCormick & Paget performed a management audit and the accounting firm of Peat Marwick Main & Co. investigated fiscal practices. These investigations supported and expanded upon the findings of the monitoring reports from Levels I, II, and III. In May of 1988, Commissioner Cooperman ordered the city to show cause why it should not be taken over and operated by the state.

The Jersey City Board of Education chose to fight the show cause order and a seven-month court case ensued. In its defense, the board questioned the findings of the monitoring reports, pointed to examples of how the district had recently made improvements, and "attempted to shift responsibility away from itself and onto persons or circumstances beyond its control."<sup>11</sup> After more than 21,000 pages of transcript and over \$1 million in legal fees for the defense, the judge found that "the record strongly supports the need for state takeover to address longstanding problems which the local district has been unable to cure."<sup>12</sup>

Some politicians and district staff in Jersey City asserted that the district had the same problems as other urban districts in the state but was singled out for takeover for political reasons. Former Superintendent Franklin Williams claimed that it was a simple matter of Trenton Republicans with a vendetta against Jersey City and Hudson County Democrats.<sup>13</sup> Current Mayor Gerald McCann stated in an interview for this paper that Governor Kean was out to make a national name for himself with the takeover of a public school. McCann charged that Jersey City was targeted because Kean, a white governor, did not want to take on black administrations in cities such as Newark or Camden.

The perception outside of Jersey City is somewhat different. *The Bergen Record*, a major newspaper in the northern part of the state, saw city politics, not state politics, as the problem.

Many of the faults cited by the state—low test scores, old and neglected buildings, insufficient resources, and political interference from City Hall—can also be found in the Newark, Paterson, East Orange, and Camden districts to name a few. But Jersey City has become the leading candidate for takeover because state investigators found a unique condition—massive political patronage.<sup>14</sup>

Support for this view of Jersey City's uniqueness can be found in court decisions. In a 1988 decision in the school financing case, *Abbott v. Burke*, Judge Steven Lefelt made factual findings that,

the pervasive nature of the political intrusion into Jersey City's school system [was] shocking and harmful to the school children of Jersey City and qualita-

tively and quantitatively different from the pressures present in most other property poor districts.<sup>15</sup>

Testimony in *McCarroll v. Jersey City* (1989) alleged that Anthony Cucci, who served as mayor from 1985 to 1989, misused his public office to reward friends and punish enemies. In this case, Judge Kenneth Springer found that "political interference, nepotism, and patronage in the Jersey City school system continued after the advent of Mayor Cucci."<sup>16</sup>

## Implementation of Takeover

The New Jersey State Board of Education unanimously voted to take control of the public schools in Jersey City on October 4, 1989. The administrative order issued by the board removed the Jersey City Board of Education and created a state-operated school district in Jersey City. Immediately afterward, Elena Scambio was appointed state district superintendent of schools. Statutes call for the state district superintendent to be appointed by the state board, for her salary to be fixed by the commissioner, and for the salary to be paid for by the local district. The superintendent is considered a state officer and does not acquire tenure in her position.

The takeover legislation required that the superintendent be qualified by training and experience for the particular district. Commissioner Cooperman explained that Scambio had been chosen for the position in Jersey City because of her experience in urban districts.<sup>17</sup> She had worked as a teacher in Newark, a special education monitor for the state, an assistant superintendent for curriculum in a suburban district, and the top administrator for the state in Essex County, which includes urban centers such as Newark as well as wealthy suburban communities. Most recently, Scambio had worked as a coordinating county superintendent of the northern region of the state. In this position she was a state employee and was responsible for seven counties. Jersey City is located in Hudson County, one of the counties which had been under Scambio's jurisdiction.

Although she had not participated in the monitoring of Jersey City, Dr. Scambio had worked closely with the district during the year preceding the takeover. She had, in fact, overseen a court-granted emergent relief process. Emergent relief, a process which is intended to preserve the status quo until the outcome of a full hearing, had been requested by the state in the *McCarroll v. Jersey City* proceedings. On July 25, 1988, an administrative law judge had granted the state's request for veto power over the district's personnel changes and over expenditures exceeding \$5000, but denied the state's request for access to the district's internal communications system.

At the press conference following her appointment as state district superintendent, Scambio outlined an immediate four-point improvement plan. Top priority was to be given to the review and overhaul of the district's central administration. State law mandates that this reorganization take place within six months of takeover and the new state superintendent stated that she would establish an effective organizational structure within this timeframe. She next made clear her plan to strengthen and empower management and leadership at the school level. Third on her list was the development of a budget for the 1990-91 school year which would be connected to the new educational objectives of the district. The fourth goal dealt with the facilities of the district. The deplorable conditions of the majority of the district's schools had been cited at each level of monitoring. Scambio promised an aggressive plan for the construction of new schools and the renovation and maintenance of existing schools.

The state district superintendent stressed that the successful attainment of the four goals hinged on the involvement of the community in Jersey City. She announced that she would seek the active participation of parents, staff, students, businesses, municipal and church leaders, and the community at large. Towards this end, she outlined her plans to establish school councils at each school and a district-wide educational foundation which would join the business community and the school district in partnerships.

The press conference was also the forum used by Scambio to introduce the team which would assist her in Jersey City. Victor Demming was named state district business administrator. Scambio was familiar with Demming's work since he had taken over responsibility for financial matters in East Orange after the state intervention in that district. Dr. Judy Wilcox was chosen as state district assistant superintendent of school operations. She had most recently worked as an assistant superintendent in Montclair, New Jersey, an urban community often cited by the state department as having a successful school district. Eloise Forster, who had experience as an assistant superintendent and as a director of federal and state mandated programs, was named state assistant superintendent for educational programs and services.

Following the requirements of state statutes, Scambio's first action as state district superintendent was to inform seven top Jersey City administrators that their current positions were being abolished. Those terminated included the superintendent and the assistant superintendents for curriculum, business and finance, and personnel. Also dismissed were the board secretary and board attorneys.

According to New Jersey statutes, any of the seven dismissed individuals who held seniority or tenure in another position within the district had to be offered their old job. As a result of this, many of these individuals are still working in the district. The former superintendent was first bumped to the position of assistant superintendent of elementary schools and then, based on the mandated reorganization of the central administration of the district on April 4, 1990, was demoted to vice-principal of an elementary school. The former assistant superintendent of curriculum now serves as an elementary school principal. The assistant superintendents for personnel and business have been returned to their former positions as teachers within the district.

Scambio began her work in Jersey City at 7:30 a.m. on Thursday, October 5, 1989. She had arranged for district workers to work through the night on Wednesday in order to paint, vacuum and change locks for the central administrative offices. The new superintendent made it clear that this cleanup was meant to send a message to the community:

As they drive through Jersey City and look at the schools, people will begin to see visible differences almost immediately. The message has been that we have no respect for you; that message will change.<sup>18</sup>

Another message immediately made clear to the staff and community was the philosophy of the new administration. Large white and blue plastic signs reading "Jersey City Public Schools—Kids First" were installed in all district buildings within three days of the takeover. Bumper stickers with the same slogan were made available to staff and parents. A local company paid to have billboards with the slogan posted throughout the city.

"Kids First" was also the theme of numerous speeches made by Scambio to staff, parents, community members, and representatives from business and industry. She promised that her decisions would be based on the needs of the children of Jersey City. At a parents' meeting on October 26, 1989, Scambio detailed her childhood in a poor, single-parent home in Newark. Although their apartment was small and she had a number of older brothers, her mother made sure that there was a place for Elena to do her homework in quiet every night. Scambio told the parents assembled that evening that they too had the responsibility to support the efforts of the schools. She then took responsibility for ensuring that the education being provided to their children would be a quality one.

The first few months of takeover were difficult.<sup>19</sup> Scambio's staff at this time consisted of herself, the state district business administrator, the two state assistant superintendents, two executive assistants, and a secretary. A few state employees were called in to assist on a part time basis. The Mercer County Superintendent of Schools, Barbara Anderson, served as interim head of personnel. Melindo Persi, the county superintendent from Passaic County, worked as interim chief of finance. Lower level state employees were also called in sporadically to assist in specific, short-term tasks.

These individuals had to deal with the normal responsibilities and problems faced by any new administrative team, but according to members of this team, conditions in the Jersey City public schools exacerbated any expected problems.

For one, the new administrators claimed that no standard operating procedures existed in the district. As Scambio explained at an October 20, 1990 board retreat, much of the work that was being accomplished in the district before takeover happened only because of informal lines of communication. It was obviously difficult for new players to have access to these informal contacts, yet there were no formal channels to fall back on. Another problem cited by members of the team dealt with a requirement of the takeover legislation. N.J.S.A.18A:7A-44 mandates that the superintendent evaluate all individuals employed in central administrative and supervisory staff positions within six months of the establishment of a state-operated district. In other words, all of the staff necessary for the operation of the district had to be evaluated at the same time that their expertise and experience were needed by the new administrators. Members of the state team and district central office staff both claimed in interviews that, as a result, longtime district staffers were afraid to make any decisions on their own and state administrators were bogged down in decisions generally made at lower levels.

Many individuals from outside the district who were interviewed for this study assumed that the state team had the state resources available to help with all of their tasks. In fact, there is very little evidence that Jersey City received any special treatment from the New Jersey State Department of Education. There was never a statement of the department's policy for working with or responding to a state-operated district. As a result, different divisions within the department treated the district differently. Generally speaking, if Scambio had developed a good relationship with a division head, she was able to receive some limited assistance. If this was not the case, she was sometimes subjected to higher standards than other districts. In either instance, the district did not receive the kind of support either assumed by outside educators or, more importantly, needed for effecting change in the schools. The legislation did not furnish the state district superintendent with the authority necessary to obtain such support and assistance.

One unfortunate result of the lack of support for the small state team was that Scambio and her assistants did not seem to have the time to visit the schools. After an initial flurry of meetings across the city with major stakeholders, Scambio seemed constantly tied up in meetings with her team or the district's lawyers. This absence was noted by district staff and contributed to a morale problem. As one teacher explained in an interview, "Even if they had come into my room to ask if I had enough pencils—just if I had enough pencils. But I never even saw one of them." This frustration was worsened by the fact that many of the changes being instituted during the first year of state control did not reach to the classroom level. Teachers could not see how the takeover had improved their own situations.

One responsibility not held by Scambio or her top administrators was that of appointing a board of education. State law had given that task to the commissioner of education. N.J.S.A.18A:7A-47 charges the commissioner to appoint 13 residents of the district to a non-voting, advisory board of education. The law requires that this board be representative of the community's racial and ethnic balance. The mayor of the municipality appoints 2 additional members to this board.

The state circulated a general invitation for applicants to the advisory board through the local media. At the same time, letters were sent to community leaders and local organizations. The state's efforts resulted in the submission of 150 applications. Applicants were screened by state employees to eliminate individuals who had known political ties in the city or relatives who worked for either the district or the state. Eventually the assistant commissioner, a representative from the New Jersey School Boards Association, a representative from Jersey City State College, and another administrator from the department of education interviewed 40 individuals.

Commissioner Cooperman announced his 13 appointments at a press conference held on December 5, 1989. The mayor made his appointments a few days later. The board had representatives from the Hispanic, African-American, and Asian-Indian communities of Jersey City. Whites with various ethnic backgrounds also sat on the board. Seven of the

members had children in the public schools. The local paper judged that the state had been successful in keeping out individuals with political motives.

Following requirements of the law, the board met at monthly public meetings which began in December of 1989. As mandated by state statutes, the state district superintendent reports to the board on all actions and provides an opportunity for a full discussion by the board and the public.

According to longtime observers of Jersey City boards, there has been a dramatic change in the conduct of board meetings. Community members and district employees indicated that, before the state takeover, little attention was given to the discussion of educational matters.<sup>20</sup> The state district superintendent now begins each meeting with her report to the board. Board members are given these reports a few days before the meeting and are asked to review the information so that questions or suggestions can be made at the public meeting. At each meeting the superintendent arranges for at least one district staff member to introduce a new program or explain an existing service.

The state district superintendent determines which topics are reviewed at board meetings. Since these issues were considered important enough to be presented to the public, they are presumably an indication of the priorities of the administration.

The first official board meeting was held on December 21, 1989. At that meeting a report was given regarding renovations to the cafeteria in the district's largest high school, Dickinson High School. For many residents in the city, Dickinson High School had become a symbol of the decay of the Jersey City public schools. The once imposing building on the hill was now defaced by graffiti and the green lawns of the property, which had once set the facility apart from its urban surroundings, were now used as dirt parking lots. In November a community organization from the Dickinson neighborhood met with Scambio and complained that large groups of students roamed the streets during the lunch hour. They cited incidents of knife and gun fights which had erupted on the streets. Scambio visited the area and school during the lunch hour and met with administrators, staff, and students from the school. She toured the school's rundown cafeteria and noted that it was not surprising that students did not want to stay in this facility for lunch. She assigned her business administrator to monitor and supervise the maintenance issues and instructed the principal to establish a School Improvement Team composed of staff, students and teachers. Scambio instructed a central office food services administrator to work with the School Improvement Team in order to devise plans for the immediate renovation of the cafeteria.

By the time of the December 21, 1989 board meeting, plans had been completed and renovations had begun. That night the food service administrator, the principal of Dickinson and a student representative spoke to the board regarding the changes being made to the cafeteria. The principal noted that she had been asking for new windows in the cafeteria for years. Once the team requested them, they were installed within days. Inadequate lighting had been a problem for 19 years. New lighting was put in place as

part of the renovations. The student expressed her classmates' appreciation for involving them in choosing not only the menus for the new cafeteria, but even the colors for the walls. Scambio told the principal and student that she would see that the renovations were completed during the Christmas vacation, but that they were responsible for ensuring that the facility remained in good condition. In an interview almost a year later, Scambio claimed that the renovation was a success and that the cafeteria is now "standing room only."

At the same December board meeting, State Assistant Superintendent Eloise Forster unveiled a new initiative, Project R.E.A.C.T. (Referral to Educational Alternatives, Counseling and Training), a plan for the coordination of district services for students with special needs. Alternative programs for potential dropouts and pregnant students were part of this plan, as were direct services for guidance, suicide prevention and substance abuse counseling. Forster explained that her analysis of existing services in the district had found that many special services were already available in the district, but were not being fully utilized. Forster had also found a lack of follow-up of individual students. She suggested that student assistance satellites be established at each high school. Student assistance coordinators would provide case management, counseling, education and program monitoring at the building level. These coordinators would be trained so that they were familiar with the district's alternative programs, student assistance services, specialized programs, as well as services and agencies available in the community.

Parts of Project R.E.A.C.T. were instituted early in 1990. Once the district was reorganized on April 4, 1990, however, it was difficult to implement the program because so many of the positions within the structure were left vacant. Positions were still being filled as of the beginning of the school year in September 1990. Some believed that although most of the elements of Project R.E.A.C.T. had been put in place, many of the newly hired student assistance coordinators were unclear as to their duties.<sup>21</sup> By the end of October, Scambio characterized the program as being "up and running" and enthusiastically spoke about plans for the addition of alternative classes for students at the elementary level.

The first presentation at the January 18, 1990 meeting was concerned with the findings of a financial report conducted by Peat Marwick. The report cited specific examples of procedural violations and, in general, found a lack of internal controls for the financial operations of the district. Many of these problems have since been corrected. Procedures are in place to ensure compliance with state bidding requirements. Internal controls are in place for the investment of available funds and for the use of petty cash.<sup>22</sup>

A second presentation made at the January meeting dealt with the possibility of the reconfiguration of the elementary schools. Dr. Charles Smith, an assistant superintendent with a long history in the district, explained a plan to determine if the pre-kindergarten through 8th grade elementary school organization provided the most effective and efficient delivery of programs and services. He suggested that a reconfigured grade level structure



would allow the district to better use district resources and focus on programs which would meet the educational and developmental needs appropriate to specific age groups. He explained that administrators, teaching staff, board members, and parents would be involved in the district's reconfiguration committee.

The concept of changing the structure of neighborhood elementary schools was not well received by the public. Scambio assured parents that their concerns could be addressed by parental representatives on the committee. As of October 1990, the reconfiguration committee had developed profiles for a number of model schools and plans called for these profiles to be voluntarily adopted by individual schools in the district which choose to pilot school-site management councils.

In February 1990 a board member and a district supervisor spoke to the board and the public regarding values education. They asked for parent, student, and community volunteers to serve on a city-wide task force which would work with district staff to determine how the schools and the community could strengthen, share, and reinforce values and ethical standards. Throughout the year, letters to the editor in the local paper supported the district's efforts of infusing values education into the curriculum. As of October 1990 the committee was still at work but no actions had yet been taken.

The second presentation at the February meeting explained the district's urban pre-kindergarten program. The program had begun with a state grant under the previous district administration. The director of the program explained the philosophy and objectives of the classes offered for three- and four-year-old students in three of the district's schools. After the presentation, Dr. Scambio stressed the importance of such programs and announced her intention to expand the program for the 1990-91 school year. In fact, pre-kindergarten classes were placed in other schools in the district in September of 1990 and Scambio indicated that more early childhood classes will be opened when additional facilities are found.<sup>23</sup>

The March 15, 1990 board meeting celebrated Youth Art Month. The district's art supervisor explained the district's art program and showed a slide presentation of the work of students involved in a program for the artistically talented. Students from elementary and secondary grades were recognized for their achievements in numerous art competitions.

Winners from the Hudson County Science Fair and a successful basketball team were honored at the April 26, 1990 board meeting. At the May meeting special education and bilingual students and teachers were recognized for their achievements and contributions. Additional teacher and student awards were acknowledged at the June meeting. The recognition of these groups brought many students, parents, and staff members to board meetings for the first time. Each of the individuals being recognized received rousing rounds of applause.

At the June and August meetings the board and public were made aware of changes in the structure of the district's organization. The majority of the September meeting was devoted to state-mandated reporting to the public including results of standardized tests and presentations of district objectives and staff development plans for the 1990-91 school year.

The presentations at the board meetings appear typical of most districts where the administration takes seriously its duties to inform the board and public. They are certainly not unique to state-operated school districts. The next section of this paper will turn to a discussion of the unprecedented occurrences in Jersey City which were directly attributable to the takeover legislation.

## Meeting the Requirements of the Takeover Legislation

New Jersey's legislation for state-operated school districts includes specific requirements regarding the evaluation and employment of district administrators, the monitoring of financial operations, and the assessment of progress towards meeting state standards. The next few pages will describe how these legal requirements were addressed during the first year of state control in Jersey City.

New Jersey law provides tenure privileges to all certificated positions from teachers to superintendents.<sup>24</sup> Tenured professionals can only be dismissed or reduced in compensation in cases of inefficiency, incapacity, or conduct unbecoming their position. The tenure hearings required for such dismissals or demotions are time-consuming and often take more than a year to complete. The architects of New Jersey's takeover legislation saw a need for a mechanism to permit the state district superintendent to make staffing changes.

The takeover legislation calls for all individuals employed in central office administrative and supervisory positions to be evaluated within six months of state takeover. Within the same time frame a reorganization of the central office must be prepared and implemented. Upon the reorganization, all central office administrative and supervisory staff positions, instructional and noninstructional, must be abolished notwithstanding any other provision of law or contract. Based on the evaluation of the individual and the staffing needs of the reorganized district staff, the superintendent may hire an individual whose position is so abolished. Such persons who are reappointed to a former position for which they had held tenure retain their tenure rights. Those who had not received tenure previously would obtain tenure in their new positions based on the provisions of the existing tenure law. Employees not hired for the reorganized staff would retain tenure and seniority rights for former positions they may have held in the district. Replaced employees without such rights were to be given 60 days notice of termination or 60 days pay.

In the case of Jersey City, 421 individuals working in administrative and supervisory posts had to be evaluated within six months of the October 4, 1989 state takeover. Formal evaluations were conducted by retired educational administrators who were hired on a per diem basis. The state district superintendent and her state assistant superintendents provided input into the final evaluations. Looking back over this process in an interview conducted a year later, Scambio suggested that changes be made to this requirement of the takeover legislation. She recounted problems that had been encountered in Jersey City. For one, her small administrative team had difficulty evaluating more than four hundred individuals within six months. A second problem existed because of the timing of the reorganization. The beginning of April is not a natural break in the school year, yet massive staffing changes had to occur at this time according to law. And finally, during these first six months the administrative team had to meet secretly in order to assess

district staff. In Scambio's opinion, these secret, closed meetings led to feelings of suspicion and a division between "us" and "them". And, in fact, in dozens of interviews held with members of the state administrative team and district staff the issue of "us" and "them" invariably arose.<sup>25</sup>

On April 4, 1990 Dr. Scambio unveiled the district's reorganization and notified the 421 staff members of their future assignments. The new organizational structure called for 117 fewer central office positions, a cut of 27 percent. Because many central office staff had worked for a number of years in the district and held tenure rights in other positions, only six individuals were actually put out of work. Eighty-two of the remaining 111 held tenure as teachers in the district. The vast majority of those who held "bumping rights" to other positions chose to stay in the district and exercise their tenure rights even when this resulted in substantial decreases in their salaries. Although the takeover legislation had clearly called for the abolishment of positions, "notwithstanding any other provision of law or contract", many individuals adversely affected by the reorganization filed grievances and lawsuits.

The personnel department of the district, which was itself affected by the reorganization, faced a monumental job of sorting out tenure and seniority rights for the 111 affected central office employees. A chain reaction of bumping eventually involved all levels and departments within the organization. To avoid disruption of the education process for students, Scambio announced that no teachers would be bumped during the school year. Such changes took place over the summer months.

As of September 1990, then, dozens of individuals who had been demoted by the state district superintendent were working in numerous schools throughout the district as teachers, counselors, and administrators. Because of past practices of promoting from within and hiring based on personal contacts, many of these individuals have close friends and even relatives in other buildings in the district. A number of staff indicated that Scambio had reorganized in order to make jobs for her friends from the state department and from Essex County.<sup>26</sup> In fact, of the 36 people hired during the first year of takeover, 20 had been working in Jersey City, four had worked in Essex County and one came from the state department.<sup>27</sup>

In what may seem a contradiction, members of the teaching staff voiced their concern about individuals demoted in the reorganization, but complained that too many incompetent administrators remained in their positions or were promoted. Each made specific references to administrators who had been responsible for programs which had not met state standards but who were promoted in the reorganization. Three staff members indicated that they had originally supported the state takeover but lost confidence in the state after they saw the staffing changes in the reorganization.<sup>28</sup>

A member of the team who was involved in the evaluations and staffing changes of the reorganization suggested that individuals who should have been let go or demoted in April were kept on so that the district could keep functioning until June. This individual

proposed that, in the future, the restructuring of a state-operated district be phased in instead of completely revamped within six months.

Thirty-eight positions within the new organizational structure were left empty after the April 4, 1990 reorganization. The district posted these vacancies within the district, advertised in a number of newspapers and received over 1,100 applications. By the opening of school in September, the district had filled 31 top administrative posts in the district. The superintendent had promised to seek minority candidates who would be representative of the student population and, in fact, the vast majority of the new administrators are members of minority groups.

Most of the focus of the reorganization involved the personnel issues outlined above. It is important, however, to look at the new organizational structure itself. The district utilized the services of an organizational consulting firm in order to develop a new structure. The district's new configuration features four "clusters" or mini-districts which are comprised of one of the district's neighborhood high schools and the elementary schools which send their students to that particular high school. (Academic High School, the only Jersey City high school with admission criteria, has a small enrollment and functions as part of the Lincoln High School cluster.) Each cluster is headed by an associate superintendent and staffed by cluster supervisors. The associate superintendents report to the state assistant superintendent of school operations, Dr. Judy Wilcox. The second state assistant superintendent, Eloise Forster, is responsible for educational programs and services, planning, and model schools. A large portion of her job is the supervision of the planning, monitoring, and evaluation of state and federal programs. Directors and supervisors covering everything from guidance counseling to bilingual education to individual subject areas report to Forster.

A number of individuals working both at the cluster level and at the central office seemed unsure of lines of responsibility and communication within the new structure. Supervisors were confused as to where new ideas or modifications of programs were supposed to originate. If clusters were expected to develop programs to meet the specific needs of their students, what was the responsibility of the department headed by Forster? Was it merely to ensure compliance with state and federal rules?<sup>29</sup> In late October of 1990, Elena Scambio indicated that there might have to be some modifications, or at least clarifications, to the new structure. She pointed out, however, that the structure had only recently been fully staffed and explained that she planned to evaluate the structure over the 1990-91 school year.<sup>30</sup>

New Jersey's takeover legislation also calls for all building principals to be assessed during the first year of state control. The commissioner of education is required to adopt criteria for the evaluation of building principals in state operated school districts. The state district superintendent must establish an assessment unit to conduct on-site evaluations of each building principal according to the criteria established by the commissioner. Based on a minimum of three evaluations, the superintendent is authorized to dismiss any tenured building principal for inefficiency, incapacity, unbecoming conduct

or other just cause as defined by the commissioner's criteria for principal performance. The law also directs the commissioner and the office of administrative law to take any actions necessary to expedite hearings for the dismissal of tenured principals.

In order to evaluate the 37 principals in Jersey City, Scambio hired four retired superintendents to work on a per diem basis. After the principals received their first evaluations in May, the Jersey City Administrators and Supervisors Association charged that the evaluation process was flawed and filed a complaint with the commissioner. The union asserted that the district had spelled out no standards for evaluating principals and that the first evaluation was based only on an interview, not on observation. In the second round of evaluations, principals submitted documents such as faculty meeting agendas, curriculum plans and analysis of test scores. For the third evaluation, an evaluator spent an entire day with the principals as they went about their schedules.<sup>31</sup>

As of October 1990, all principals had received three evaluations and final evaluations were being prepared. District personnel refused to speculate on how many principals would face tenure charges. The complaint of the administrators union was still in the administrative law system, and Scambio indicated that many hours had been spent in this legal matter. She explained that, "As with the reorganization of the central office, we have to be compulsive that people's rights are not violated since the legislation is new and everything is going to be tested in the courts."<sup>32</sup>

Another provision of New Jersey's legislation for state-operated school districts mandates that an internal audit team be established. This team is given the task of monitoring the business functions of the district. The salaries of internal auditors are paid by the state and they report directly to the state district superintendent and the commissioner. The two internal auditors employed in Jersey City have uncovered a history of waste and abuse in the district's administration of insurance benefits. More than three million dollars had been spent in coverage for 250 individuals who had left the district and were therefore not entitled to health insurance. The auditors also found that the district had over-insured 300 employees for decades. Family or married-couple coverage had been paid for individuals no longer married, for couples who had no children, and for couples with children no longer eligible for coverage. The auditors estimated that this mismanagement had cost the district \$400,000 a year for the last 20 to 25 years. Similar findings were identified for dental insurance.<sup>33</sup>

There is one requirement of the takeover legislation with which the district was not in compliance. The law mandates that on a regular basis, but no less than twice each year, the board of education report in writing directly to the state district superintendent concerning its assessment of the progress of the district. The district's administration informed the board that its assessment of progress would be based on district performance according to an approved corrective action plan (CAP). As there is no mention of the CAP in the legislation, this appears to be an interpretation of the law.

State approval of the CAP was not given until September 1990, almost a year after the state took control of the district. Part of the delay can be attributed to the fact that a new Commissioner of Education, John Ellis, had come to the state in mid-year. The CAP identifies and establishes plans for corrective action in the following areas: leadership and management; educational programs and services; community relations and public information; finance; and facilities. The plan detailed some actions already completed during the 1989-90 school year and outlined activities for the next few years.

The CAP was explained to the board of education at a retreat held in October 1990, and only at this meeting were plans made for a subcommittee to begin work on an assessment of district progress towards meeting the objectives of the CAP. Thus for the first year one board assessment was completed, not the two mandated by law.

A requirement for the state district superintendent to report annually to the commissioner was fulfilled. On November 7, 1990, Scambio appeared before the New Jersey State Board of Education to present her progress report. She said that she had spent the year putting in place "far-reaching mechanisms" that would ensure change in the future. She predicted that it would take three or four years for these reforms to impact on student achievement on standardized tests, but suggested that some progress would be seen in another year.<sup>34</sup>

Many changes that occurred outside of Jersey City during the first year of takeover affected the functioning of this state-operated district. The next section will outline these changes.

## External Forces and Their Impact on the Jersey City Takeover

A little more than a month after the state took control of Jersey City a new governor was elected in New Jersey. Governor Kean had been prohibited by law from running for a third term and Jim Florio, a Democrat from the southern part of the state, became the new governor. Florio had been supported in the campaign by the cities in the state and there were speculations that, since the failing districts targeted by the takeover legislation were all urban centers, the new governor would make some changes in this policy. Scambio noted that this perception influenced the level of cooperation she received from district staff during the beginning months of the takeover.<sup>35</sup>

Soon after the governor took office, Commissioner Cooperman resigned. The governor had not formally requested the resignation of the commissioner but had publicly voiced doubts whether the Kean-Cooperman era had accomplished much. Cooperman submitted his resignation on January 30, 1990 and left the state department at the end of June. Assistant Commissioner of Education Walter McCarroll left in September. Both of these individuals had been intimately involved in both the development of New Jersey's legislation for takeover and the implementation of this policy in Jersey City. Both were strong supporters of Scambio.

While public statements made by Florio and his new commissioner, John Ellis, indicate that they support the concept of takeover, there is some reason to question the state's continuing commitment to takeover.

The first sign of a lack of needed support involves the issue of school bonds. New Jersey law is very specific in its requirements for the authorization and issuance of promissory notes and bonds for school purposes. The takeover legislation did not address this issue and the existing law for bonding is not applicable for state-operated school districts. In short, there is no mechanism for state-operated school districts to raise money for the acquisition, construction, or major repair of buildings. In a district such as Jersey City where the majority of the buildings are not only old but in disrepair because of a lack of maintenance, this oversight has special significance. All of the reports completed for state monitoring had cited numerous serious facility problems which necessitated immediate attention. The state team, however, had no authority to make any meaningful improvements to district buildings.

The problem seemed to be a simple, if embarrassing, mistake. The state department and the sponsoring legislators had forgotten to address the issue of bonding in the takeover legislation. The mistake was discovered early in the Jersey City takeover and legal amendments were drawn up. Yet, a full year after the takeover the new legislation had yet to be adopted.



A second issue which brings into question the level of state support for the state intervention in Jersey City involves the district's budget. In April 1990, following the requirements of the takeover legislation, Scambio prepared a district budget in the amount of \$210 million dollars. This budget represented a 7 percent increase over the 1989-90 budget. Comparing the percent of total budget for each line item from the 1988-89 and 1989-90 budgets to the 1990-91 budget, there are few changes. Administrative salaries decreased from 2.4 percent of the budgets for the previous two years to 1.8 percent of the proposed budget. Insurance and judgements were projected to increase from 6.7 percent in the 1988-89 budget, and 7 percent in 1989-90, to 8.5 percent in the new year. This increase was attributed to sky-rocketing insurance premiums.

Board members with financial backgrounds had helped in the preparation of the budget and presented the budget to the full board at their April meeting. Board members made some suggestions for minor modifications, but on the whole supported the document. The public hearing on the budget was held on May 2, 1990 and was poorly attended. Parents who spoke at the meeting were, in general, supportive of the budget. Three older residents, including a former mayor, addressed the audience and voiced their concern over tax implications of the budget.

Although Scambio insists that she and her team had kept the mayor's office informed of her proposed budget and, in fact, had been led to believe that the city supported the budget, the city filed an appeal of the budget with the commissioner. The city claimed that the budget should be trimmed by \$8.5 million. The commissioner's office was charged with determining if all of the money budgeted for line item accounts was necessary.

The mayor of the city, Gerald McCann, pleaded his case to the commissioner and the media. McCann criticized the state administration of the district and personally attacked Scambio as being incompetent. It is important to note here that, at this time, the mayor was having a difficult time preparing a city budget which would not further enrage residents who already paid high taxes.

On August 30, 1990 Assistant Commissioner of Education Lloyd Newbaker ruled for the commissioner that the entire Jersey City budget was necessary for the provision of a thorough and efficient education in the district. He ruled that no changes were to be made to the budget.

The takeover legislation had provided that if a municipality believed that the local share of revenues needed to support the district's budget resulted in an unreasonable tax burden, the municipality could appeal to the Division of Local Government Services in the Department of Community Affairs. The director of this division was to make a determination of the amount of revenues which could be raised locally without creating an unreasonable tax burden. Any difference between the amount determined by the director and the amount of revenues required to support the district's budget were to be paid by the state subject to the availability of appropriations.

On September 5, 1990, the director of local government services ruled that the local share of revenues needed to support the school district's budget would have created an unreasonable tax burden to the municipality's property owners. The local government division and the mayor's office agreed that the state treasury would turn over an additional \$4 million in aid to the city and the school district would have to manage with \$7 million less in taxes than had been anticipated in the budget. The state team in Jersey City learned of this deal from the newspapers. Scambio and Assistant Commissioner McCarroll claimed that no money could be deducted from the budget which had been approved by the commissioner. A reading of the law would seem to support this opinion.

In an interview conducted at the end of October 1990, Scambio recounted that she and her state business administrator had spent many days in Trenton trying to settle this matter but had been unsuccessful. As has been the case with others issues in this study, the question of adequate financial support for the state-operated district of Jersey City was not fully answered during the first year of state control. Some projections may be made based on the occurrences of the initial year, but further study will have to ensue before final judgements can be made.

## Conclusion

New Jersey's policy for the state takeover of failing school districts must be viewed as part of the state's monitoring system. In the case of Jersey City, four separate stages of monitoring took place over a four year period. The district was assessed by employees from various divisions within the state department, by educators from other districts in New Jersey, and by contracted auditing firms. Each of these groups found serious problems throughout the district. Systemic problems were identified in the areas of curriculum, facilities, finance, student attendance and test scores, staff certification and evaluation, and the provision of mandated programs such as special education, bilingual education, and remedial basic skills instruction.

Since the state's policy was an attempt to address this myriad of problems, it is somewhat surprising to note what was not included in the authorizing legislation. There was no provision for additional funding for Jersey City, nor were there mandates that the resources of the state department of education be made available to the district. In fact, Jersey City was handicapped as a state-operated district because of an omission in the law which prevented the district from beginning any construction or renovation of facilities. Further, although the state district superintendent had to spend a great deal of time evaluating staff during the first year, provisions of the law which guaranteed seniority rights for previously held positions translated into a reshuffling of personnel rather than a reorganization of the district.

But, of course, a major change did take place in the governance of the Jersey City public schools as a result of the state takeover. The local board of education was abolished and the state-appointed board was limited to an advisory role. Given the documented history of the Jersey City Board of Education as a body more concerned with political agendas than educational issues, there is little question that the abolishment of the board did allow the state district superintendent to focus on the education of Jersey City's children without overt political interference.

There is evidence that school improvement has begun in Jersey City. Efforts have been made to educate and involve parents and the community. Formal recognition of staff and students has begun. As exemplified by the renovations to the Dickinson High School cafeteria, the maintenance problems in the district have begun to be addressed. Pre-kindergarten programs have been expanded. A study has been undertaken to assess the effectiveness of the current configuration of the schools. Internal controls are now in place for the fiscal operations of the district.

This paper only examined the first year of the implementation of New Jersey's policy for failing school districts. Further study will be necessary in order to judge the success of this implementation. What is already clear from the first year of state control in Jersey City is that the policy allows experienced educators to work without the political intrusion

of a locally appointed board. Since the policy does not provide any additional resources or permit the removal from the district of many staff formerly in charge, however, any improvement in the Jersey City schools over the next few years is likely to result from the work of the state-appointed and local individuals, not from specific provisions of the state's policy.

## Notes

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6. Interview with Saul Cooperman, 25 June 1990.
7. T. H. Kean, *The Politics of Inclusion*, (New York: Macmillan, 1988).
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12. *McCarroll v. Jersey City*, New Jersey Office of Administrative Law (1989), Docket No. EDU387-88: 4.
13. R. Leir, "Jersey City's Schools Nearer to Takeover," *The Jersey Journal* (4 February 1987): 1.
14. J. Verdon, "Takeover: the Case Against Jersey City," *The Bergen Record* (10 January 1988): A-1, A-27.
15. *Abbott v. Burke*. New Jersey Office of Administrative Law (1988), Docket No. Edu5581-85: 333.

16. *McCarroll v. Jersey City*. New Jersey Office of Administrative Law (26 July 1989), Docket No. Edu 3871-88: 36.
17. Interview with Saul Cooperman, 25 June 1990.
18. R. J. Braun, "State Takes Over Jersey City's School District," *The Star-Ledger* (5 October 1989): 1, 26.
19. Interviews with members of the State District Superintendent's Administrative team, April 24, August 21, October 4, October 23, October 31, 1990.
20. Interviews with community members and district employees, April to October 1990.
21. Interview with district employee, September 20, 26, 28, 1990.
22. Interviews with employees of the Jersey City Business Office, 23 October 1990.
23. Interview with Elena Scambio, 31 October 1990.
24. Recent legislation has ended superintendent tenure.
25. Interviews with state and district officials, April to October 1990.
26. Interviews with Jersey City staff, April to October 1990.
27. D. Yaffe, "Mixed Emotions Grip System on Anniversary of Takeover," *The Jersey Journal* (3 October 1990): 1, 4.
28. Interviews with Jersey City teaching staff, April to October 1990.
29. Interviews with district employees, April to October 1990.
30. Interview with Elena Scambio, 31 October 1990.
31. D. Yaffe, "Jersey City School Principals May Be Facing Tenure Charges," *The Jersey Journal* (10 October 1990): 1, 4.
32. Interview with Elena Scambio, October 31, 1990.
33. D. Yaffe, "Schools Wasted \$10M in Insurance," *The Jersey Journal* (10 October 1990): 7.
34. R. J. Braun, "Jersey City Schools—State Overseer Expects Progress, Wants Higher Test Scores," *The Star-Ledger* (8 November 1990): 46.
35. Interview with Elena Scambio, 31 October 1990.