

**State Control of Schools Has Failed  
to Help Paterson, New Jersey Children:  
Why Not Choice Instead?**

By Robert Holland and Don Soifer

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**Executive Summary**

Public schools in Paterson, New Jersey are among the worst in the state. The school district has been controlled by the New Jersey Department of Education since 1991, but state control has failed to turn the schools around.

With Hispanic students comprising 55 percent of the school population, well over half of Hispanic students in Paterson public schools are failing to reach proficiency in English and math. African-American students fare only slightly better. Yet per-pupil spending in the Paterson schools, at over \$12,000 annually, is more than 10 percent above the state average.

Recently, however, community leaders have taken note of the benefits school choice brings families in other cities around the nation, and have begun to build new coalitions for choice. Martin Perez, President of the Latino Leadership Alliance of New Jersey, observed, "Parents feel they have nowhere to go. They have lost faith in their school system. We have to empower parents and give them parental school choice so they can guarantee a future for their children."

Details follow.

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## **DECADES OF DECLINE AND FAILURE**

Simply shifting control of public schools to a higher level of government doesn't magically ensure minority children a better education. It seems reasonable to expect that many of those children would fare better if they were able to shift to private schools of their families' choice.

That is a lesson taught by the sad experience of Paterson, New Jersey. First, a little background:

- In 1988, New Jersey became the first state in the nation to authorize its State Department of Education to take over local school districts that were failing according to an established monitoring process.
- In 1991, the city of Paterson, located in the northern part of the state 20 miles from New York City, became one of the troubled districts that had to cede control of its public schools to the state. The presumption was that improvement would follow. The state took over management of the Jersey City school district in 1989 and the Newark school district in 1995.

But the latest available data for Paterson shows a pattern of gross underachievement in basic subjects, despite the state's intent to turn the situation around for the better.

State control does not seem to have fixed the management of the schools, either. A 2002 report commissioned by the New Jersey Commissioner of Education examined the state's performance running the three takeover school districts. Its conclusions were highly critical. "State operation of school districts in New Jersey has lacked direction and coherence," the report concluded. It recommended changing the takeover law and returning the districts to local control.

Corruption remains an expensive problem as well. A May 2004 story in the *North Jersey Record* found the Paterson Public Schools misspent \$50 million by paying construction companies in full for repair work on rented buildings between 1999 and 2002. In February of 2005, a former Paterson school maintenance supervisor pleaded guilty to accepting bribes from a construction company for not inspecting their work.

In 2002-2003, the total cost for a public-school pupil in Paterson was \$12,603 – more than 10 percent higher than the state’s average spending per student. But as the following analysis demonstrates, the education results Paterson families are currently receiving represents a far-from-desirable return on this investment.

Paterson is a majority-Hispanic (55 percent) school system. African-Americans are the second-largest racial/ethnic group at 37 percent, followed by whites (5 percent) and Asians (2 percent).

Hispanic children are among those most harmed by the systemic failures. Well over half of Hispanic students in many Paterson public schools are failing to reach proficiency in English and math, as shown by testing required by the federal No Child Left Behind Act (NCLB).

**Predominantly Hispanic Paterson Schools  
Percent of Students Below Proficiency on State Standardized Tests, 2002-03**

School	% Hispanic	Language Arts	Math
Number 5	60	43.8	63.8
Number 15	74	52	82.7
Number 14	70	58.7	89.1
Number 11	63	52.8	74.3
Number 3	86	26.3	47.4
Number 16	92	3.6	12.7
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District Average		36.1	55.9
State Average		20.9	31.5
State Standard		32	47

Source: NCLB report cards at <http://education.state.nj.us>

Systemwide, the proportion of Hispanic children scoring below proficiency in math goes as high as 89 percent at one elementary school, and exceeds 70 percent at several others.

English scores aren’t much better. At a dozen elementary schools, failure rates range upwards of 50 percent – to more than two-thirds. While there are pockets of success, the overall pattern is one of failure.

**Predominantly African-American Paterson Schools  
Percent of Students Below Proficiency on State Standardized Tests, 2002-03**

<b>School</b>	<b>% African-American</b>	<b>Language Arts</b>	<b>Math</b>
Number 6	78	59.7	75
Number 26	67	34.5	80.4
Number 20	67	3.7	14.5
Number 10	59	52.7	62.2
Number 13	60	20.8	56
Number 28	73	50	82
District Average		36.1	55.9
State Average		20.9	31.5
State Standard		32	47

Source: NCLB report cards at <http://education.state.nj.us>

Achievement levels of African-American children also lag. For example, while the state standard as part of the No Child Left Behind Act is for 68 percent of students to test at or above proficiency, only a little more than one-third of black children reached that mark.

As for the vaunted takeover policy, state officials and lawmakers have considered ideas for stepped-up monitoring of school districts while transitioning back to local control. However, without fundamental changes that would empower families to seek better opportunities for their children, there is scant realistic prospect that much will improve in Paterson.

Data from the National Center for Education Statistics show that private-school students score higher than the national average on standardized tests. The Council for American Private Education (CAPE) has documented that private-school students from low socioeconomic backgrounds are more than three times as likely as public-school peers to earn a bachelor's degree by their mid-20s.

Data from Paterson indicate that the option of sending their children to private schools (often religiously affiliated ones) is popular with minority families, particularly Hispanics, when they can muster the means to do so.

There are 53 private and parochial elementary schools listed in Private School Review in Paterson and Passaic County. In 40 of those 53 schools, Hispanic children constitute at least 10 percent of the enrollment. In 22 of those 53 schools, Hispanics constitute at least 40 percent of the enrollment.

African-American children comprise at least 10 percent of the enrollment in 28 of these schools.

Clearly, private education is demographically diverse in Paterson and its environs. That is also true nationally: 23 percent of private-school students are from racial/ethnic minorities and 28 percent are from families with annual incomes under \$50,000.

The tables above provide pertinent data taken from state and No Child Left Behind report cards on the many low-achieving schools in Paterson. The state breaks down achievement into “partial proficiency,” “proficient” and “advanced.”

Clearly, “proficient” is the desired minimum standard. For example, the state standard for meeting the NCLB “average yearly progress” standard in 2002 was 68 percent proficient in language arts and 53 percent in mathematics. Thus, “partial proficiency” is a gentle euphemism that should not obscure the reality of massive educational failure. Those placed in that category fell short of reaching proficiency in basic subjects.

A closer examination of Paterson Public Schools’ academic performance underscores the urgency of the need for substantial reform.

In many schools, mathematics is a disaster area. Consider School No. 28, an elementary school located alongside the Passaic River. The proportion of its tested students who were only “partially proficient” in math (that is, whose achievement was substandard) actually rose from one year to the next – from 77 percent to almost 81 percent. Achievement in language arts was nothing to brag about – 53 percent scored less-than-proficient. But that was an improvement from 74 percent “partial proficiency” just one year earlier.

At another elementary two blocks south of Paterson’s Broadway, Edward W. Kilpatrick, a horrendous 89.4 percent of the students scored below proficient in math. That was up from 72 percent the year before. One reason for that could have been that the school went from excluding more than 9 percent of its students from testing to excluding none – which was one good change brought about by NCLB requirements of inclusion.

Eliminating testing exclusions did not hurt that school’s performance in language arts, however. A dismal 55 percent scored less than proficient, but that was an improvement from 71 percent the year before, when nearly a tenth of the student body had not been tested.

Just few minutes’ drive to the south, another elementary school, No. 15, went the other direction – from excluding just 1 percent of students from testing to excluding 15 percent. Not surprisingly, its proportion of students scoring less-than-proficient fell – from 73 percent to 52 percent in language arts, and from 90 percent to 83 percent in math. But the rise in testing exclusions more than cancelled out any progress toward proficiency. Not surprisingly, the school was one of 16 (out of 35 schools) in Paterson classified as “in need of improvement” according to NCLB.

On the high school level, another indication of the educational deficiencies in Paterson was the high rate at which students, particularly members of racial minorities, were

dropping out of school. At Eastside High School – in the same neighborhood, 7.3 percent of black students and 7.5 percent of Hispanics dropped out during the 2002-2003 school year. The graduation rate for the class of 2003 was just 58.5 percent, more than 30 percentage points below the state average.

Almost half of Eastside's students (47 percent) failed to reach proficiency in language arts, while two-thirds (67 percent) fell short of proficiency in mathematics.

Those dismal numbers were not unique to Eastside. At John F. Kennedy High School, the dropout rate was even worse – 15.4 percent for blacks and 13.2 percent for Hispanics (and not much better for whites, at 12.3 percent) in 2002-2003. The graduation rate for the class of 2003 was 57.8 percent. Just over half (54 percent) of Kennedy's students failed to reach proficiency in math, while 42 percent were less than proficient in language arts.

Clearly, many students in Paterson could benefit from being able to choose schools outside the sphere of government control, state or local.

## **BETTER EDUCATIONAL OPTIONS THROUGH SCHOOL CHOICE**

Vouchers or scholarships of considerably less than that per-pupil amount would enable many Paterson students to attend private or parochial schools where achievement levels are far higher than in the schools being passed back and forth between state and local governmental control.

A voucher program for students in Washington, DC, passed by Congress and signed into law by President Bush in January, 2004, is a model that could prove useful for Paterson. This year, over 1,000 students in the nation's capital used scholarships of up to \$7,500 for tuition, fees, and transportation to attend private schools in the district. To be eligible for a voucher under the District of Columbia plan, a student must have a family income no higher than 185 percent of the poverty rate. The plan gives preference to students currently attending public schools that have been designated dangerous or underperforming.

The voucher plan in place in Cleveland, Ohio, upheld by the Supreme Court in 2002, provides students with \$2,250 scholarships for students to attend the private or parochial school of their choice. Cleveland's public schools, like Paterson's, are among the lowest-performing in the state. In creating the Cleveland voucher system, the state of Ohio invited nearby suburban public schools to accept voucher students, but none accepted. Because per-pupil spending is so high in the Paterson public schools, it is quite conceivable that providing vouchers up to the cost of current spending levels would allow neighboring Passaic and Bergen County school districts – in addition to private schools – to make seats available for Paterson students.

Paterson has 19 private elementary schools, most of which serve co-ed student populations from pre-kindergarten through 8<sup>th</sup> grade, and 3 private high schools, according to *Private School Review*. A host of nearby private schools in communities such as Clifton, Passaic and Wayne could also provide options for Paterson families.

The benefits school choice would bring to such families, combined with a growing dissatisfaction over the quality of public schools, are beginning to produce a demand for better educational options. In tune with this demand, local leaders have begun to organize for choice.

Martin Perez, a prominent New Jersey attorney and labor leader, is President of the Latino Leadership Alliance of New Jersey. Currently, the Alliance is organizing to become a powerful voice for better options in the coming months. “Unfortunately, in urban areas we are wasting a lot of money and we have not produced effective results educating our kids,” observed Mr. Perez. “Parents feel they have nowhere to go. They have lost faith in their school system. We have to empower parents and give them parental school choice so they can guarantee a future for their children.”

Mr. Perez also serves on the board of a Newark-based school choice coalition called Excellent Education for Everyone. The group, known locally as E<sup>3</sup>, has conducted 15 two-day trips to Milwaukee, WI, home of the country's oldest school choice program, to show legislators and opinion makers first-hand how school choice works. Says the group’s mission statement, “The competitive pressure of School Choice will give public-school reformers the leverage to get it done rapidly and well. And the eternal vigilance of empowered parents will keep up the pressure to maintain the reforms.”

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