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# *Committee Meeting*

of

## SENATE EDUCATION COMMITTEE

*“The committee will receive testimony from invited guests on Senate Bill No. 2319. Members of the public are invited to submit written testimony to the Committee”*

*“Senate Bill No. 2319 modifies various aspects of charter school program, including authorization, regulation, and monitoring; appropriates \$250,000 to DOE for expenses of charter school authorizing board”*

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**LOCATION:** Committee Room 6  
State House Annex  
Trenton, New Jersey

October 16, 2014  
10:00 a.m.

### **MEMBERS OF COMMITTEE PRESENT:**

Senator M. Teresa Ruiz, Chair  
Senator Shirley K. Turner, Vice Chair  
Senator James Beach  
Senator Diane B. Allen  
Senator Michael J. Doherty



### **ALSO PRESENT:**

Anita M. Saynisch  
*Office of Legislative Services*  
*Committee Aide*

Elizabeth Mahn  
*Senate Majority*  
*Committee Aide*

Christopher Emigholz  
*Senate Republican*  
*Committee Aide*

***Meeting Recorded and Transcribed by***  
The Office of Legislative Services, Public Information Office,  
Hearing Unit, State House Annex, PO 068, Trenton, New Jersey

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M. TERESA RUIZ  
Chair

SHIRLEY K. TURNER  
Vice-Chair

JAMES BEACH  
DIANE B. ALLEN  
MICHAEL J. DOHERTY

ANITA M. SAYNISCH  
ERIN M. BASIAK  
Office of Legislative Services  
Committee Aides  
(609) 847-3850  
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**New Jersey State Legislature**  
**SENATE EDUCATION COMMITTEE**  
STATE HOUSE ANNEX  
PO BOX 068  
TRENTON NJ 08625-0068

**COMMITTEE NOTICE**

**TO:** MEMBERS OF THE SENATE EDUCATION COMMITTEE  
**FROM:** SENATOR M. TERESA RUIZ, CHAIRWOMAN  
**SUBJECT:** COMMITTEE MEETING - OCTOBER 16, 2014

*The public may address comments and questions to Anita M. Saynisch, Erin M. Basiak, Committee Aides, or make bill status and scheduling inquiries to Marguerite Tazza, Secretary, at (609)847-3850, fax (609)984-9808, or e-mail: OLSAideSED@njleg.org. Written and electronic comments, questions and testimony submitted to the committee by the public, as well as recordings and transcripts, if any, of oral testimony, are government records and will be available to the public upon request.*

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**The Senate Education Committee will meet on Thursday, October 16, 2014 at 10:00 AM in Committee Room 6, 1st Floor, State House Annex, Trenton, New Jersey.**

**The committee will receive testimony from invited guests on Senate Bill No. 2319. Members of the public are invited to submit written testimony to the committee.**

**FOR DISCUSSION ONLY:**

S-2319  
Ruiz  
Modifies various aspects of charter school program, including authorization, regulation, and monitoring; appropriates \$250,000 to DOE for expenses of charter school authorizing board.

Issued 10/8/14

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For changes in schedule due to snow or other emergencies, call 800-792-8630 (toll-free in NJ) or 609-292-4840.

# SENATE, No. 2319

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## STATE OF NEW JERSEY

### 216th LEGISLATURE

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INTRODUCED JULY 31, 2014

**Sponsored by:**

**Senator M. TERESA RUIZ**

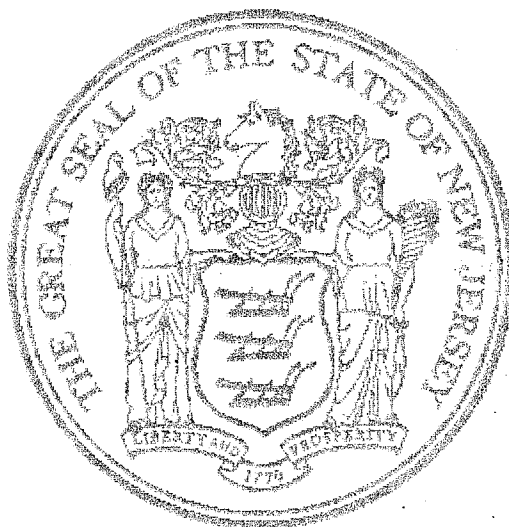
**District 29 (Essex)**

**SYNOPSIS**

Modifies various aspects of charter school program, including authorization, regulation, and monitoring; appropriates \$250,000 to DOE for expenses of charter school authorizing board.

**CURRENT VERSION OF TEXT**

As introduced.



S2319 RUIZ

2

1 AN ACT concerning charter schools, revising various parts of  
2 statutory law, supplementing P.L.1995, c.426 (C.18A:36A-1 et  
3 seq.), and making an appropriation.

4  
5 **BE IT ENACTED** by the Senate and General Assembly of the State  
6 of New Jersey:

7  
8 1. (New section) As used in P.L.1995, c.426 (C.18A:36A-1 et  
9 seq.):

10 "Charter school authorizer" means an entity charged with the  
11 ongoing monitoring of the charter schools it authorizes, and with  
12 granting, renewing, and revoking charters for charter schools  
13 established pursuant to the provisions of P.L.1995, c.426  
14 (C.18A:36A-1 et seq.). A charter school authorizer shall include  
15 the Commissioner of Education and the charter school authorizing  
16 board established pursuant to section 2 of P.L. , c. (C. ) (pending  
17 before the Legislature as this bill).

18  
19 2. (New section) a. There is hereby established the charter  
20 school authorizing board. The board shall consist of nine members  
21 as follows: three members appointed by the Governor; one member  
22 appointed by the President of the Senate; one member appointed by  
23 the Minority Leader of the Senate; one member appointed by the  
24 Speaker of the General Assembly; one member appointed by the  
25 Minority Leader of the General Assembly; and two ex officio  
26 members, the President of the State Board of Education or his  
27 designee and the Executive Director of the New Jersey School  
28 Boards Association or his designee. Of the appointed members of  
29 the board no more than four shall be of the same political party.  
30 The appointed members of the board shall have experience in public  
31 and nonprofit governance, management, finance, public school  
32 leadership, assessment, curriculum, instruction, and public school  
33 law. Each member shall have a demonstrated understanding of and  
34 commitment to the use of charter schools as a strategy for  
35 strengthening public education. The appointments to the board  
36 shall be made no later than 90 days after the effective date of P.L. ,  
37 c. (C. ) (pending before the Legislature as this bill).

38 b. The term of the first members appointed by the Governor  
39 shall be four years, and the term for members subsequently  
40 appointed or reappointed by the Governor shall be three years. The  
41 term of a member of the board appointed by the President of the  
42 Senate or the Speaker of the General Assembly shall be three years.  
43 The term of a member of the board appointed by the Minority  
44 Leader of the Senate or the Minority Leader of the General  
45 Assembly shall be two years. No appointed member of the board

**EXPLANATION** – Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 shall serve for more than seven consecutive years. A vacancy on  
2 the board shall be filled by the original appointment authority for  
3 the remainder of the term.

4 c. The members of the board shall serve without compensation,  
5 but may be reimbursed for any necessary expenses incurred in the  
6 performance of their duties.

7  
8 3. (New section) a. The State Board of Education shall be  
9 responsible for the ongoing oversight of the performance and  
10 effectiveness of the charter school authorizing board. The State  
11 board may, at any time, take corrective action against the charter  
12 school authorizing board, including suspending the charter school  
13 authorizing board's authority, for a period not to exceed three  
14 school years, for:

15 (1) failure to adequately discharge the responsibilities  
16 established pursuant to the provisions of P.L.1995, c.426  
17 (C.18A:36A-1 et seq.);

18 (2) failure to provide adequate oversight of one or more charter  
19 schools with which it has entered into a charter contract;

20 (3) persistent unsatisfactory performance of charter schools  
21 monitored by the charter school authorizing board; or

22 (4) any other good cause as determined by the State board.

23 b. In the event that the State board suspends the charter school  
24 authorizing board's authority, the oversight of its charter schools  
25 shall transfer to the commissioner.

26  
27 4. (New section) No later than 90 days prior to the charter  
28 school application submission date set forth in section 4 of  
29 P.L.1995, c.426 (C.18A:36A-4), a charter school authorizer shall  
30 issue a request for proposals for prospective charter school  
31 applicants. The information included in the request for proposal  
32 shall include, but need not be limited to, the following:

33 a. The specific school district or community to be served by  
34 any charter school that is granted a charter by the charter school  
35 authorizer;

36 b. The criteria that the charter school authorizer will use to  
37 approve or reject a charter school application submitted in response  
38 to the request for proposal;

39 c. The performance framework that the charter school  
40 authorizer has developed for the oversight and evaluation of a  
41 charter school pursuant to section 6 of P.L. , c. (C. ) (pending  
42 before the Legislature as this bill); and

43 d. Any preference that the charter school authorizer may have  
44 for an applicant that demonstrates the capacity to serve a specific  
45 disadvantaged population of students. For the purposes of this  
46 subsection "disadvantaged population of students" means students  
47 who meet the definition of an "at-risk pupil" pursuant to section 3  
48 of P.L.2007, c.260 (C.18A:7F-45) or students who score in the

1 partially proficient range in the language arts or mathematics  
2 subject area of the State assessments.

3 A charter school applicant shall not submit an application for a  
4 particular charter school to more than one charter school authorizer  
5 in the same year.

6  
7 5. (New section) a. When reviewing a charter school  
8 application, a charter school authorizer shall employ procedures,  
9 practices, and criteria that are consistent with nationally recognized  
10 principles and standards for charter school authorization, and ensure  
11 that the application review procedures are transparent. The State  
12 Board of Education shall promulgate regulations pursuant to the  
13 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et  
14 seq.), that define the nationally recognized principles and standards  
15 pursuant to which a charter school authorizer shall review a charter  
16 school application. In evaluating charter school applications, the  
17 charter school authorizer shall avoid any real or perceived conflicts  
18 of interest. The charter school application review process shall  
19 include, but not be limited to, the following:

20 (1) an in-person interview with each charter school applicant;  
21 and

22 (2) two public meetings at which a single charter school  
23 application is discussed, and the residents of the school district that  
24 would be served by the charter school would have an opportunity to  
25 provide input on the application.

26 b. (1) A charter school authorizer shall only approve a charter  
27 school application if the applicant demonstrates competence in each  
28 element of the charter school authorizer's published approval  
29 criteria. The State Board of Education shall promulgate regulations  
30 pursuant to the "Administrative Procedure Act," P.L.1968, c.410  
31 (C.52:14B-1 et seq.), that establish criteria by which a charter  
32 school authorizer shall determine whether or not an applicant has  
33 demonstrated competence in approval criteria.

34 (2) A charter school authorizer may, when appropriate, establish  
35 reasonable conditions that an approved charter school applicant  
36 shall meet prior to executing a charter contract pursuant to section 6  
37 of P.L. , c. (C. ) (pending before the Legislature as this bill).  
38 The State Board of Education shall promulgate regulations pursuant  
39 to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-  
40 1 et seq.), establishing a list of reasonable conditions which a  
41 charter school authorizer may impose on an applicant prior to  
42 executing a charter contract.

43 The charter school authorizer's decision shall be based on  
44 information collected during the application process.

45 c. No later than 30 days after approving or rejecting a charter  
46 school application, a charter school authorizer shall publish a report  
47 detailing the charter school authorizer's reasons for approving or  
48 rejecting the charter school application. Each report shall be posted

1 on the Department of Education's website. In the event that the  
2 charter school authorizer is the charter school authorizing board  
3 established pursuant to section 2 of P.L. , c. (C. ) (pending  
4 before the Legislature as this bill), the board shall forward a copy of  
5 the report to the department no later than 25 days after approving or  
6 rejecting a charter school application.

7  
8 6. (New section) a. Within 60 days of approving a charter  
9 school application, the charter school authorizer and the applicant  
10 shall enter into a charter contract that details the performance  
11 framework by which the charter school's performance will be  
12 assessed. The charter contract shall also outline the administrative  
13 relationship between the charter school authorizer and the charter  
14 school, including each party's rights and responsibilities. The  
15 performance framework included in the charter contract shall  
16 include, but need not be limited to, annual performance targets for  
17 the following:

- 18 (1) absolute measures of student academic proficiency;
- 19 (2) student academic growth over time;
- 20 (3) academic achievement gaps between student subgroups;
- 21 (4) student attendance rates;
- 22 (5) student attrition rates;
- 23 (6) in the case of a charter school that enrolls students in grades  
24 9 through 12, measures of students' readiness for college and  
25 careers;
- 26 (7) financial viability and sustainability;
- 27 (8) performance by the school's board of trustees, including  
28 compliance with applicable laws, rules, and regulations, and  
29 provisions of the charter contract; and
- 30 (9) any additional indicators proposed by the charter school and  
31 approved by the charter school authorizer to account for the charter  
32 school's specific mission. The charter school authorizer shall only  
33 approve additional indicators that are rigorous and valid.

34 b. The charter contract shall require that any information  
35 included in the performance framework that relates to students shall  
36 be disaggregated by student subgroups, including racial and ethnic  
37 classifications, gender, income groups, students with disabilities,  
38 students who are English language learners, and students who are  
39 gifted and talented.

40 c. The annual performance targets included in the performance  
41 framework shall be agreed to by the charter school authorizer and  
42 the charter school, and shall be designed to ensure that the charter  
43 school meets applicable federal and State expectations for student  
44 academic performance.

45 The charter contract shall include a provision that any federal or  
46 State accountability requirements shall be applicable to the charter  
47 school.

1 d. The charter contract shall be signed by the authorized  
2 representative of the charter school authorizer and the president of  
3 the board of trustees of the charter school. In the event that the  
4 charter school authorizer is the charter school authorizing board,  
5 then the board, within 30 days of entering into the charter contract,  
6 shall forward a copy of the contract and any attachments to the  
7 commissioner. A copy of all executed charter contracts shall be  
8 made available on the department's website.

9 e. An approved charter school shall not begin operations prior  
10 to entering into a charter contract with the charter school authorizer  
11 that approved the charter school application. Neither party may  
12 delegate or reassign any of the rights or responsibilities included in  
13 the charter contract.

14 f. The applicant may elect to use one year as a planning year  
15 prior to entering into a charter contract. The applicant shall be  
16 required to obtain the consent of the charter school authorizer to use  
17 any additional years as planning years.

18  
19 7. (New section) A charter school authorizer shall prepare an  
20 annual report documenting its operations during the prior school  
21 year. The charter school authorizing board shall submit its annual  
22 report to the commissioner no later than October 1 of each school  
23 year. The commissioner shall forward a copy of each charter school  
24 authorizer's annual report to the Legislature pursuant to section 2 of  
25 P.L.1991, c.164 (C.52:14-19.1) no later than November 1 of each  
26 school year. Each charter school authorizer's annual report shall  
27 include, but need not be limited to, the following:

28 a. the performance of each charter school authorized by the  
29 charter school authorizer, as measured by the performance  
30 framework developed by the charter school authorizer;

31 b. a listing of charter schools that:

32 (1) have been approved by the charter school authorizer, but not  
33 yet opened;

34 (2) are currently operating under an initial charter;

35 (3) are currently operating under a renewed charter;

36 (4) did not have its charter renewed;

37 (5) had its charter revoked;

38 (6) voluntarily relinquished its charter; and

39 (7) had been approved by the charter school authorizer, but  
40 never opened; and

41 c. a summary of the expenses incurred by the charter school  
42 authorizer in performing its responsibilities.

43  
44 8. (New section) An employee, agent, or representative of a  
45 charter school authorizer shall not serve as an employee, agent,  
46 representative, vendor, contractor, or board of trustee member of a  
47 charter school that is subject to the oversight of the charter school  
48 authorizer.

1 9. (New section) Except as provided pursuant to section 14 of  
2 P.L.2007, c.137 (C.18A:7G-45), a school district that intends to sell  
3 or lease a school facility shall grant right of first refusal to purchase  
4 or lease the property for an amount equal to the fair market value of  
5 the school facility to a charter school that, pursuant to its charter,  
6 enrolls students who reside in that district. In the event that more  
7 than one charter school enrolls students who reside in that district,  
8 then the order in which right of first refusal is to be granted shall be  
9 determined by lottery.

10  
11 10. (New section) In the event that a student withdraws from a  
12 charter school and enrolls in another public school located in the  
13 State, the new school shall accept all credits earned by the student  
14 in a uniform and consistent manner, and using the same criteria  
15 applied to accept credits from other public schools. The new school  
16 shall honor the student's status and grade level achieved at the  
17 charter school.

18  
19 11. (New section) On or before March 1 of each year, the  
20 commissioner shall submit a report to the Governor, and to the  
21 Legislature pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1),  
22 regarding the State's charter school program. The annual report  
23 shall be based on information contained in the reports submitted by  
24 the charter school authorizers pursuant to section 7 of P.L. , c.  
25 (C. ) (pending before the Legislature as this bill) and any other  
26 relevant data compiled by the commissioner. The annual report  
27 shall include a summary of the performance measures included in  
28 charter contracts entered into by the charter school authorizers, an  
29 assessment of the successes, challenges, and potential areas of  
30 improvement, an assessment of the sufficiency of funding provided  
31 to charter schools, and recommendations for changes to State law,  
32 regulations, or practices that may promote the objectives of charter  
33 schools.

34  
35 12. (New section) The executive county superintendent of  
36 schools and a representative of the regional achievement center of  
37 the region in which the county is located shall meet quarterly with a  
38 representative of each charter school in the county to discuss the  
39 innovations and best practices being implemented by the charter  
40 schools which may be adopted in the traditional public school  
41 setting. The appropriate regional achievement center shall prepare  
42 an annual report no later than January 1 which provides a detailed  
43 description of the innovations and best practices discussed in the  
44 quarterly meetings. The Department of Education shall make the  
45 annual reports available to the public through an Internet website  
46 maintained by the department in an easily accessible location.

47  
48 13. N.J.S.18A:23-1 is amended to read as follow:

1 18A:23-1. The board of education of every school district and  
2 the board of trustees of every charter school shall cause an annual  
3 audit of the district's or charter school's accounts and financial  
4 transactions to be made by a public school accountant employed by  
5 it, which audit shall be completed not later than 5 months after the  
6 end of the school fiscal year.

7 (cf: P.L.2010, c.49)

8

9 14. Section 1 of P.L.1995, c.426 (C.18A:36A-1) is amended to  
10 read as follows:

11 1. **[This act]** P.L.1995, c.426 (C.18A:36A-1 et seq.) shall be  
12 known and may be cited as the "Charter School **[Program Act of**  
13 **1995]** Accountability and Authorizer Act."

14 (cf: P.L.1995, c.426, s.1)

15

16 15. Section 2 of P.L.1995, c.426 (C.18A:36A-2) is amended to  
17 read as follows:

18 2. The Legislature finds and declares that the establishment of  
19 charter schools as part of this State's program of public education  
20 can assist in promoting comprehensive educational reform **[by**  
21 **providing a mechanism for the implementation of a variety of**  
22 **educational approaches which may not be available in the**  
23 **traditional public school classroom]**. Charter schools serve a  
24 distinct purpose in supporting innovations and best practices that  
25 can be adopted by other public schools to strengthen the  
26 performance of all students. Specifically, charter schools offer the  
27 potential to improve pupil learning; increase for students and  
28 parents the educational choices available when selecting the  
29 learning environment which they feel may be the most appropriate;  
30 encourage the use of different and innovative learning methods;  
31 establish a new form of accountability for schools; require the  
32 measurement of learning outcomes; make the school the unit for  
33 educational improvement; and establish new professional  
34 opportunities for teachers.

35 The Legislature **[further]** also finds that the establishment of a  
36 charter school program is in the best interests of the students of this  
37 State and it is therefore the public policy of the State to encourage  
38 and facilitate the development of charter schools.

39 The Legislature further finds that based on experience since the  
40 original enactment of the "Charter School Program Act of 1995,"  
41 P.L.1995, c.426 (C.18A:36A-1 et seq.), it is necessary to establish  
42 additional standards and safeguards to ensure that the charter school  
43 program is operated in an effective and accountable manner and  
44 contributes to the overall improvement of public education for all  
45 students in the districts served by charter schools.

46 (cf: P.L.1995, c.426, s.2)

1 16. Section 3 of P.L.1995, c.426 (C.18A:36A-3) is amended to  
2 read as follows:

3 3. **[a.]** The Commissioner of Education shall establish a charter  
4 school program which shall provide for the approval and granting of  
5 charters to charter schools pursuant to the provisions of **[this act]**  
6 P.L.1995, c.426 (C.18A:36A-1 et seq.). A charter school shall be a  
7 public school operated under a charter granted by **[the**  
8 **commissioner]** a charter school authorizer, which is operated  
9 independently of a local board of education and is managed by a  
10 board of trustees. The board of trustees, upon receiving a charter  
11 from **[the commissioner]** and entering into a charter contract with a  
12 charter school authorizer, shall be deemed to be public agents  
13 authorized by the State Board of Education to supervise and control  
14 the charter school.

15 **[b.]** The program shall authorize the establishment of not more  
16 than 135 charter schools during the 48 months following the  
17 effective date of this act. A minimum of three charter schools shall  
18 be allocated to each county. The commissioner shall actively  
19 encourage the establishment of charter schools in urban school  
20 districts with the participation of institutions of higher education. **]**

21 (cf: P.L.1995, c.426, s.3)

22  
23 17. Section 4 of P.L.1995, c.426 (C.18A:36A-4) is amended to  
24 read as follows:

25 4. a. A charter school may be established by teaching staff  
26 members, parents with children attending the schools of the district,  
27 or a combination of teaching staff members and parents. A charter  
28 school may also be established by an institution of higher education  
29 or a private nonprofit entity located within the State in conjunction  
30 with teaching staff members and parents of children attending the  
31 schools of the district. If the charter school is established by a  
32 private nonprofit entity, representatives of the private nonprofit  
33 entity shall not constitute a majority of the trustees of the school,  
34 and the charter shall specify the extent to which the private  
35 nonprofit entity shall be involved in the operation of the school.  
36 The name of the charter school shall not include the name or  
37 identification of the private nonprofit entity **[**, and the private entity  
38 shall not realize a net profit from its operation of a charter school**]**.  
39 A private or parochial school shall not be eligible for charter school  
40 status.

41 b. A currently existing public school is eligible to become a  
42 charter school if the following criteria are met:

43 (1) At least 51% of the teaching staff in the school shall have  
44 signed a petition in support of the school becoming a charter  
45 school; and

1 (2) At least 51% of the parents or guardians of pupils attending  
2 that public school shall have signed a petition in support of the  
3 school becoming a charter school.

4 c. An application to establish a charter school shall be  
5 submitted to the **[commissioner]** charter school authorizer and the  
6 local board of education or State district superintendent, in the case  
7 of a school district under full State intervention, no later than  
8 January 1 in the **[school]** year preceding the school year in which  
9 the charter school will be established. Notice of the filing of the  
10 application shall be sent immediately by the **[commissioner]**  
11 charter school authorizer to the members of the State Legislature,  
12 school superintendents, and mayors and governing bodies of all  
13 legislative districts, school districts, or municipalities in which there  
14 are students who will be eligible for enrollment in the charter  
15 school. The board of education or State district superintendent  
16 shall review the application and forward a recommendation to the  
17 **[commissioner]** charter school authorizer within 60 days of receipt  
18 of the application. The **[commissioner]** charter school authorizer  
19 shall have final authority to grant or reject a charter application.

20 The charter school authorizer shall notify a charter school  
21 applicant of the initial approval or rejection of the charter school  
22 application no later than September 1 after the submission of the  
23 charter school application. The charter school authorizer shall  
24 provide for the final granting of a charter, no later than February 1,  
25 after:

26 (1) receiving and approving documentation, as required by the  
27 charter school authorizer, that is not available at the time of the  
28 application's submission;

29 (2) assessing the student composition of the charter school and  
30 the potential effects that the loss of the students may have on the  
31 school district in which the potential charter school students reside;  
32 and

33 (3) conducting a preparedness visit to the prospective charter  
34 school.

35 d. The local board of education or a charter school applicant  
36 may appeal the decision of the **[commissioner]** charter school  
37 authorizer to the Appellate Division of the Superior Court.

38 e. A charter school established during the 48 months following  
39 the effective date of this act, other than a currently existing public  
40 school which becomes a charter school pursuant to the provisions of  
41 subsection b. of section 4 of this act, shall not have an enrollment in  
42 excess of 500 students or greater than 25% of the student body of  
43 the school district in which the charter school is established,  
44 whichever is less.

45 Any two charter schools within the same public school district  
46 that are not operating the same grade levels may petition **[the**  
47 **commissioner]** their charter school authorizer to amend their

1 charters and consolidate into one school. The [commissioner]  
2 charter school authorizer may approve an amendment to  
3 consolidate, provided that the basis for consolidation is to  
4 accommodate the transfer of students who would otherwise be  
5 subject to the random selection process pursuant to section 8 of  
6 P.L.1995, c.426 (C.18A:36A-8).  
7 (cf: P.L.2011, c.140, s.2)

8  
9 18. Section 5 of P.L.1995, c.426 (C.18A:36A-5) is amended to  
10 read as follows:

11 5. The application for a charter school shall include the  
12 following information:

13 a. The identification of the charter applicant;

14 b. The name of the proposed charter school;

15 c. The proposed governance structure of the charter school  
16 including a list of the proposed members of the board of trustees of  
17 the charter school, including background information, or a  
18 description of the qualifications and method for the appointment or  
19 election of members of the board of trustees;

20 d. The educational goals of the charter school, the curriculum  
21 to be offered, and the methods of assessing whether students are  
22 meeting educational goals. Charter school students shall be required  
23 to meet the same testing and academic performance standards as  
24 established by law and regulation for public school students.  
25 Charter school students shall also meet any additional assessment  
26 indicators which are included within the charter approved by the  
27 [commissioner] charter school authorizer;

28 e. The admission policy and criteria for evaluating the  
29 admission of students which shall comply with the requirements of  
30 section 8 of [this act] P.L.1995, c.426 (C.18A:36A-8), including a  
31 detailed plan and timeline for student recruitment and the procedure  
32 for conducting a public lottery if the number of students seeking  
33 admission exceeds the capacity;

34 f. The age or grade range of students to be enrolled in each  
35 year during the term of the charter;

36 g. The [school] school's proposed calendar and [school day] a  
37 sample daily schedule;

38 h. A description of the charter school staff responsibilities and  
39 the proposed qualifications of teaching staff;

40 i. A description of the [procedures to be implemented to  
41 ensure] opportunities for and expectations of significant parental  
42 involvement in the operation of the school;

43 j. A description of, and address for, the physical facility in  
44 which the charter school will be located, and a plan for identifying  
45 an alternative facility if the need arises ;

46 k. Information on the manner in which community groups will  
47 be involved in the charter school planning process;

- 1 l. The financial plan for the charter school and the provisions  
2 which will be made for auditing the school pursuant to the  
3 provisions of N.J.S.18A:23-1;
- 4 m. A description of and justification for any waivers of  
5 regulations which the charter school will request; **[and]**
- 6 n. The mission and vision of the proposed charter school,  
7 including any specific student population that the charter school  
8 would serve;
- 9 o. For each grade level and for each year for the term of the  
10 charter, the projected student enrollment, the minimum number of  
11 students that the charter school may serve while remaining  
12 financially viable, and the maximum number of students that the  
13 charter school could feasibly serve;
- 14 p. An explanation of how the proposed charter school's  
15 academic programs will align with standards adopted by the State  
16 Board of Education;
- 17 q. A description of the proposed charter school's instructional  
18 design, including information on the type of learning environment  
19 that would be used, class size and structure, and teaching methods  
20 that will be employed;
- 21 r. The proposed charter school's plan for using assessments to  
22 measure and report student progress on the performance framework  
23 developed by the charter school authorizer pursuant to section 6 of  
24 P.L. , c. (C.) (pending before the Legislature as this bill);
- 25 s. The proposed charter school's plan for identifying and  
26 successfully serving students with disabilities, English language  
27 learners, students who are currently not performing on grade level  
28 in one or more academic areas, and students who are gifted and  
29 talented;
- 30 t. A description of extracurricular and co-curricular activities  
31 that will be offered at the school, including the method by which  
32 the costs of such programs will be supported;
- 33 u. The proposed charter school's policy on student discipline.  
34 The policy shall be consistent with the student discipline policy of  
35 the school district in which the charter school is located;
- 36 v. An organization chart that clearly presents the proposed  
37 charter school's organizational structure, including lines of  
38 authority among the board of trustees, staff, and any other related  
39 entities;
- 40 w. A clear description of the roles and responsibilities of the  
41 board of trustees, the school's leadership and management team,  
42 and any other entities included in the organization chart;
- 43 x. A detailed plan for recruiting and developing the proposed  
44 charter school's leadership and management team and staff;
- 45 y. The school's proposed employment policy, including the  
46 plan for conducting performance evaluations;
- 47 z. The board of trustee's proposed bylaws;

1 aa. A description or explanation of any partnerships or  
2 contractual arrangements that will be a significant component of the  
3 school's operations or mission;

4 bb. The plan for providing food services and other operational  
5 services;

6 cc. A detailed start-up plan that includes tasks to be completed,  
7 a timeline during which the identified tasks will be completed, and  
8 a list of individuals who will be responsible for completing the  
9 tasks;

10 dd. A description of the insurance coverage the school will  
11 obtain;

12 ee. Projected budgets for any start-up period and the first five  
13 years of the school's operations, including a description of relevant  
14 assumptions used in developing the budget;

15 ff. A cash flow analysis for any start-up period and the first  
16 year of the school's operations, including a description of relevant  
17 assumptions used in developing the cash flow analysis;

18 gg. An explanation of any anticipated revenues from fundraising  
19 that are included in the projected budgets; and

20 hh. Such other information as the [commissioner] charter  
21 school authorizer may require.

22 (cf: P.L.1995, c.426, s.5)

23  
24 19. Section 6 of P.L.1995, c.426 (C.18A:36A-6) is amended to  
25 read as follows:

26 6. A charter school established pursuant to the provisions of  
27 **[this act] P.L.1995, c.426 (C.18A:36A-1 et seq.)** shall be a body  
28 corporate and politic with all powers necessary or desirable for  
29 carrying out its charter program, including, but not limited to, the  
30 power to:

31 a. Adopt a name and corporate seal; however, any name  
32 selected shall include the words "charter school;"

33 b. Sue and be sued, but only to the same extent and upon the  
34 same conditions that a public entity can be sued;

35 c. Acquire real property from public or private sources, by  
36 purchase, lease, with an option to purchase, or by gift, for use  
37 as a school facility;

38 d. Receive and disburse funds for school purposes;

39 e. Make contracts and leases for the procurement of services,  
40 equipment and supplies;

41 f. Incur temporary debts in anticipation of the receipt of funds;

42 g. Solicit and accept any gifts or grants for school purposes;

43 **[and]**

44 h. Purchase appropriate insurance; and

45 i. Have such other powers as are necessary to fulfill its charter  
46 and which are not inconsistent with [this act] P.L.1995, c.426  
47 (C.18A:36A-1 et seq.) or the requirements of the [commissioner]  
48 charter school authorizer which granted its charter.

S2319 RUIZ

14

1 The board of trustees of a charter school shall comply with the  
2 provisions of the "Open Public Meetings Act," P.L.1975, c.231  
3 (C.10:4-6 et seq.).  
4 (cf: P.L.1995, c.426, s.6)

5  
6 20. Section 8 of P.L.1995, c.426 (C.18A:36A-8) is amended to  
7 read as follows:

8 8. a. Preference for enrollment in a charter school shall be given  
9 to students who reside in the school district [in which] specified in  
10 the approved charter school [is located] application; except that in  
11 the case of a charter school located in a school facility which is  
12 being leased or has been purchased from a school district, the first  
13 preference for enrollment in the charter school shall be given to  
14 students who reside in the attendance area established by the district  
15 for that facility. If there are more applications to enroll in the  
16 charter school than there are spaces available, the charter school  
17 shall select students to attend using a [random selection process]  
18 certified public lottery. The charter school authorizer shall develop  
19 a procedure for publicizing and certifying a lottery conducted by a  
20 charter school to which it has granted a charter.

21 A charter school shall not charge tuition [to students who reside  
22 in the district] and may only charge fees that may also be charged  
23 by other public schools in the State.

24 b. A charter school shall allow any student who was enrolled in  
25 the school in the immediately preceding school year to enroll in the  
26 charter school in the appropriate grade unless the appropriate grade  
27 is not offered at the charter school.

28 c. A charter school may give enrollment priority to a sibling of  
29 a student enrolled in the charter school.

30 d. If available space permits, a charter school may enroll non-  
31 resident students. The terms and condition of the enrollment shall  
32 be outlined in the school's charter contract and approved by the  
33 [commissioner] charter school authorizer.

34 e. The admission policy of the charter school shall, to the  
35 maximum extent practicable, seek the enrollment of a cross section  
36 of the community's school age population including racial and  
37 academic factors.

38 (cf: P.L.1995, c.426, s.8)

39  
40 21. Section 9 of P.L.1995, c.426 (C.18A:36A-9) is amended to  
41 read as follows:

42 9. A student may withdraw from a charter school at any time.  
43 A student may be expelled from a charter school based on criteria  
44 determined by the board of trustees, which are consistent with the  
45 provisions of N.J.S.18A:37-2, and approved by the [commissioner]  
46 charter school authorizer as part of the school's charter contract.

1 Any expulsion shall be made upon the recommendation of the  
2 charter school principal, in consultation with the student's teachers.  
3 (cf: P.L.1995, c.426, s.9)

4  
5 22. Section 10 of P.L.1995, c.426 (C.18A:36A-10) is amended  
6 to read as follows:

7 10. A charter school may be located in part of an existing public  
8 school building, in space provided on a public work site, in a public  
9 building, or any other suitable location. [In the case of a nonpublic  
10 school that converts to a charter school pursuant to the provisions of  
11 section 1 of P.L.2011, c.140 (C.18A:36A-4.1), the charter school  
12 may be located in the same school building in which the nonpublic  
13 school was located.] The facility shall be exempt from public  
14 school facility regulations except those pertaining to the health or  
15 safety of the pupils. A charter school shall not construct a facility  
16 with public funds other than federal funds.  
17 (cf: P.L. 2011, c.140, s.3)

18  
19 23. Section 11 of P.L.1995, c.426 (C.18A:36A-11) is amended  
20 to read as follows:

21 11. a. A charter school shall operate in accordance with its  
22 charter and the provisions of law and regulation which govern other  
23 public schools; except that, upon the request of the board of trustees  
24 of a charter school, the commissioner may exempt the school from  
25 State regulations concerning public schools, except those pertaining  
26 to assessment and accountability, testing, civil rights and student  
27 health and safety, if the board of trustees satisfactorily demonstrates  
28 to the commissioner that the exemption will advance the  
29 educational goals and objectives of the school.

30 b. A charter school shall comply with the provisions of chapter  
31 46 of Title 18A of the New Jersey Statutes concerning the provision  
32 of services to handicapped students; except that the fiscal  
33 responsibility for any student currently enrolled in or determined to  
34 require a private day or residential school shall remain with the  
35 district of residence.

36 Within 15 days of the signing of the individualized education  
37 plan, a charter school shall provide notice to the resident district of  
38 any individualized education plan which results in a private day or  
39 residential placement. The resident district may challenge the  
40 placement within 30 days in accordance with the procedures  
41 established by law.

42 c. A charter school shall comply with applicable State and  
43 federal anti-discrimination statutes.

44 d. A charter school shall not engage in any sectarian practices in  
45 its educational programs, admission or employment policies, or any  
46 of its operations.

47 e. The board of trustees of a charter school shall adopt and  
48 implement a nepotism policy that is in accordance with the

1 provisions of law and regulation regarding nepotism policies which  
2 govern other public schools.

3 f. The provisions of section 7 of P.L.1996, c.138 (C.18A:7F-7)  
4 shall be applicable to a charter school.  
5 (cf: P.L.2007, c.260, s.57)

6  
7 24. Section 14 of P.L.1995, c.426 (C.18A:36A-14) is amended  
8 to read as follows:

9 14. a. The board of trustees of a charter school shall have the  
10 authority to decide matters related to the operations of the school  
11 including budgeting, curriculum, and operating procedures, subject  
12 to the school's charter. The board shall provide for appropriate  
13 insurance against any loss or damage to its property or any liability  
14 resulting from the use of its property or from the acts or omissions  
15 of its officers and employees.

16 b. In the case of a currently existing public school which  
17 becomes a charter school pursuant to the provisions of subsection b.  
18 of section 4 of [this act] P.L.1995, c.426 (C.18A:36A-4), all school  
19 employees of the charter school shall be deemed to be members of  
20 the bargaining unit defined in the applicable agreement and shall be  
21 represented by the same majority representative organization as the  
22 employees covered by that agreement. In the case of other charter  
23 schools, the board of trustees of a charter school shall have the  
24 authority to employ, discharge and contract with necessary teachers  
25 and nonlicensed employees subject to the school's charter. The  
26 board of trustees may choose whether or not to offer the terms of  
27 any collective bargaining agreement already established by the  
28 school district for its employees, but the board shall adopt any  
29 health and safety provisions of the agreement. The charter school  
30 and its employees shall be subject to the provisions of the "New  
31 Jersey Employer-Employee Relations Act," P.L.1941, c.100  
32 (C.34:13A-1 et seq.). A charter school shall not set a teacher salary  
33 lower than the minimum teacher salary specified pursuant to section  
34 7 of P.L.1985, c.321 (C.18A:29-5.6) nor higher than the highest  
35 step in the salary guide in the collective bargaining agreement  
36 which is in effect in the district in which the charter school is  
37 located.

38 c. All classroom teachers and professional support staff shall  
39 hold appropriate New Jersey certification. The commissioner shall  
40 make appropriate adjustments in the alternate route program in  
41 order to expedite the certification of persons who are qualified by  
42 education and experience. All classroom teachers shall demonstrate  
43 that the teacher is highly qualified. To be considered highly  
44 qualified, a teacher shall possess, at a minimum, a bachelor's  
45 degree from a regionally accredited institution of higher education,  
46 and demonstrate mastery of the subject matter taught through a  
47 combination of teaching experience, professional development,

1 other related work experience, and subject matter knowledge  
2 garnered during prior employment experience.

3 d. A public school employee, tenured or non-tenured, may  
4 request a leave of absence of up to three years from the local board  
5 of education or State district superintendent in order to work in a  
6 charter school. Approval for a leave of absence shall not be  
7 unreasonably withheld. Employees on a leave of absence as  
8 provided herein shall remain in, and continue to make contributions  
9 to, their retirement plan during the time of the leave and shall be  
10 enrolled in the health benefits plan of the district in which the  
11 charter school is located. The charter school shall make any  
12 required employer's contribution to the district's health benefits  
13 plan.

14 e. Public school employees on a leave shall not accrue tenure  
15 in the public school system but shall retain tenure, if so applicable,  
16 and shall continue to accrue seniority, if so applicable, in the public  
17 school system if they return to their non-charter school when the  
18 leave ends. An employee of a charter school shall not accrue tenure  
19 pursuant to N.J.S.18A:17-2, N.J.S.18A:17-3, or N.J.S.18A:28-5, but  
20 shall acquire streamline tenure pursuant to guidelines promulgated  
21 by the commissioner, and the charter shall specify the security and  
22 protection to be afforded to the employee in accordance with the  
23 guidelines.

24 f. Any public school employee who leaves or is dismissed  
25 from employment at a charter school within three years shall have  
26 the right to return to the employee's former position in the public  
27 school district which granted the leave of absence, provided the  
28 employee is otherwise eligible for employment in the public school.  
29 (cf: P.L.1995, c.426, s.14)

30  
31 25. Section 16 of P.L.1995, c.426 (C.18A:36A-16) is amended  
32 to read as follows:

33 16. a. The charter school authorizer shall continually monitor  
34 the performance and legal compliance of each charter school to  
35 which it has granted a charter. The charter school authorizer shall  
36 have the authority to conduct any reasonable oversight activities  
37 necessary to fulfill its responsibilities that are consistent with the  
38 provisions of P.L.1995, c.426 (C.18A:36A-1 et seq.) and do not  
39 diminish the autonomy provided to the charter school. In the event  
40 that a charter school authorizer determines that a charter school's  
41 performance is unsatisfactory or that the charter school is not in  
42 compliance with a legal requirement, the charter school authorizer  
43 shall promptly notify the charter school of the deficiency and shall  
44 provide a reasonable opportunity for the charter school to address  
45 the deficiencies. The charter school authorizer may require that the  
46 charter school develop and implement a corrective action plan to  
47 address any deficiency.

1 The ~~commissioner~~ charter school authorizer shall annually  
2 assess whether each charter school to which it has granted a charter  
3 is meeting the goals of its charter contract, and shall conduct a  
4 comprehensive review prior to granting a renewal of the charter.  
5 The ~~county superintendent of schools of the county in which the~~  
6 ~~charter school is located~~ charter school authorizer shall have on-  
7 going access to the records and facilities of the charter school to  
8 ensure that the charter school is in compliance with its charter and  
9 that State board regulations concerning assessment and  
10 accountability, testing, civil rights, and student health and safety are  
11 being met.

12 b. In order to facilitate the ~~commissioner's~~ charter school  
13 authorizer's review, each charter school shall submit an annual  
14 report to the ~~local board of education, the county superintendent of~~  
15 ~~schools, and the commissioner in the form prescribed by the~~  
16 ~~commissioner. The report shall be received annually by the local~~  
17 ~~board, the county superintendent, and the commissioner~~ charter  
18 school authorizer no later than August 1.

19 The report shall also be made available to the ~~parent or~~  
20 ~~guardian of a student enrolled in the charter school~~ public.

21 c. ~~By April 1, 2001, the commissioner shall hold public~~  
22 ~~hearings in the north, central, and southern regions of the State to~~  
23 ~~receive input from members of the educational community and the~~  
24 ~~public on the charter school program.] (Deleted by amendment,~~  
25 ~~P.L. , c. ) (pending before the Legislature as this bill)~~

26 d. ~~The commissioner shall commission an independent study~~  
27 ~~of the charter school program. The study shall be conducted by an~~  
28 ~~individual or entity identified with expertise in the field of~~  
29 ~~education and the selection shall be approved by the Joint~~  
30 ~~Committee on the Public Schools. The individual or entity shall~~  
31 ~~design a comprehensive study of the charter school program.]~~  
32 ~~(Deleted by amendment, P.L. , c. ) (pending before the Legislature~~  
33 ~~as this bill)~~

34 e. ~~The commissioner shall submit to the Governor, the~~  
35 ~~Legislature, and the State Board of Education by October 1, 2001~~  
36 ~~an evaluation of the charter school program based upon the public~~  
37 ~~input required pursuant to subsection c. of this section and the~~  
38 ~~independent study required pursuant to subsection d. of this section.~~  
39 ~~The evaluation shall include, but not be limited to, consideration of~~  
40 ~~the following elements:~~

41 (1) the impact of the charter school program on resident  
42 districts' students, staff, parents, educational programs, and  
43 finances;

44 (2) the impact of the charter school program and the increased  
45 number of schools on the economics of educational services on a  
46 Statewide basis;

1 (3) the fairness and the impact of the reduction of available  
2 resources on the ability of resident districts to promote competitive  
3 educational offerings;

4 (4) the impact of the shift of pupils from nonpublic schools to  
5 charter schools;

6 (5) the comparative demographics of student enrollments in  
7 school districts of residence and the charter schools located within  
8 those districts. The comparison shall include, but not be limited to,  
9 race, gender, socioeconomic status, enrollment of special education  
10 students, enrollment of students of limited English proficiency, and  
11 student progress toward meeting the core curriculum content  
12 standards as measured by student results on Statewide assessment  
13 tests;

14 (6) the degree of involvement of private entities in the operation  
15 and financial support of charter schools, and their participation as  
16 members of charter school boards of trustees;

17 (7) verification of the compliance of charter schools with  
18 applicable laws and regulations;

19 (8) student progress toward meeting the goals of the charter  
20 schools;

21 (9) parent, community and student satisfaction with charter  
22 schools;

23 (10) the extent to which waiting lists exist for admission to  
24 charter schools and the length of those lists;

25 (11) the extent of any attrition among student and faculty  
26 members in charter schools; and

27 (12) the results of the independent study required pursuant to  
28 subsection d. of this section.

29 The evaluation shall include a recommendation on the  
30 advisability of the continuation, modification, expansion, or  
31 termination of the program. If the evaluation does not recommend  
32 termination, then it shall include recommendations for changes in  
33 the structure of the program which the commissioner deems  
34 advisable. The commissioner may not implement any  
35 recommended expansion, modification, or termination of the  
36 program until the Legislature acts on that recommendation.】  
37 (Deleted by amendment, P.L. . c. ) (pending before the Legislature  
38 as this bill)

39 (cf: P.L.2000, c.142, s.3)

41 26. Section 17 of P.L.1995, c.426 (C.18A:36A-17) is amended  
42 to read as follows:

43 17. A charter granted by the **【commissioner】** charter school  
44 authorizer pursuant to the provisions of **【this act】** P.L.1995, c.426  
45 (C.18A:36A-1 et seq.), shall be granted for a **【four-year】** five-year  
46 period and may be renewed for up to a **【five-year】** ten-year period,  
47 as determined by the charter school authorizer. The

1 【commissioner】 charter school authorizer may revoke a school's  
2 charter if the school has not fulfilled 【any condition imposed by the  
3 commissioner in connection with the granting of the charter or if  
4 the school has violated】 any provision of its charter contract. The  
5 【commissioner】 charter school authorizer may place the charter  
6 school on probationary status to allow the implementation of a  
7 remedial plan after which, if the plan is unsuccessful, the charter  
8 may be summarily revoked. The 【commissioner】 charter school  
9 authorizer shall develop procedures and guidelines for the  
10 revocation and renewal of a school's charter.

11 a. No later than September 1 of each school year, the charter  
12 school authorizer shall provide a charter renewal application and  
13 guidance to each charter school whose charter with the charter  
14 school authorizer will expire at the end of that school year. The  
15 guidance shall include the criteria that the charter school authorizer  
16 will use in determining whether to renew a charter. These criteria  
17 shall be based on the charter contract entered into by the charter  
18 school authorizer and the charter school.

19 b. In order to determine whether a charter that it has granted  
20 should be renewed, no later than September 1 of each school year, a  
21 charter school authorizer shall issue a charter school performance  
22 report for each charter school whose charter with the charter school  
23 authorizer will expire at the end of the current school year. The  
24 charter school performance report shall provide a summary of the  
25 charter school's performance record, based on data required in the  
26 charter contract, and shall identify any matters that the charter  
27 school authorizer believes may jeopardize the renewal of the  
28 charter. The charter school shall have 30 days to issue a response to  
29 the performance report. The response shall include, but need not be  
30 limited to:

31 (1) comments that relate to the annual reports that were issued  
32 by the charter school authorizer;

33 (2) information not included in the performance report that may  
34 support the case for the charter's renewal; and

35 (3) a description of improvements that are currently being  
36 undertaken or are planned to be implemented during the next term  
37 upon the charter's renewal.

38 c. No later than October 15 of the school year in which its  
39 charter will expire, a charter school board of trustees shall submit a  
40 complete charter school renewal application to its original charter  
41 school authorizer. The charter school authorizer shall not renew a  
42 charter if the renewal application is not received within this  
43 timeframe.

44 d. No later than 90 days after the receipt of a complete charter  
45 school renewal application, a charter school authorizer shall make a  
46 determination to renew or not to renew a charter. In making this  
47 determination, a charter school authorizer shall ensure that the  
48 decision is based on evidence of the charter school's performance

1 during the term of its charter in accordance with the charter  
2 contract, and that any data used in making the determination is  
3 available to the public.

4 e. No later than 30 days after a determination to renew or not  
5 to renew a charter, a charter school authorizer shall publish a report  
6 detailing the charter school authorizer's reasons for the  
7 determination. Each report shall be posted on the Department of  
8 Education's website. In the event that the charter school authorizer  
9 is the charter school authorizing board established pursuant to  
10 section 2 of P.L. , c. (C.) (pending before the Legislature as this  
11 bill), the board shall forward a copy of each report to the  
12 department no later than 25 days after making the determination to  
13 renew or not to renew the charter.

14 f. A charter school authorizer may, at any time, revoke a  
15 charter or place a charter school in probationary status if the charter  
16 school authorizer determines that a charter school has:

17 (1) committed a material and substantial violation of any of the  
18 terms, conditions or procedures required under P.L.1995, c.426  
19 (C.18A:36A-1 et seq.) or included in the charter contract;

20 (2) failed to meet or make sufficient progress towards the  
21 performance expectations established in its charter contract;

22 (3) failed to meet generally accepted standards of fiscal  
23 management; or

24 (4) violated any material provision of a law, rule, or regulation  
25 from which a charter school is not exempt.

26 g. A charter school authorizer shall develop a procedure for  
27 revoking a charter. At a minimum, the procedure shall include the  
28 following:

29 (1) the provision of timely notification to the charter school  
30 board of trustees, including the reasons why revocation is being  
31 considered;

32 (2) a reasonable amount of time for the charter school board of  
33 trustees to develop a response to the concerns raised by the charter  
34 school authorizer; and

35 (3) an orderly proceeding, which may be recorded, at which the  
36 board of trustees may present information, through documents and  
37 testimony, challenging the stated rationale for the possible  
38 revocation of the charter. The board of trustees shall be allowed to  
39 have legal representation and call witnesses at the proceedings.

40 h. No later than 30 days after a determination to revoke or not  
41 to revoke a charter, a charter school authorizer shall publish a report  
42 detailing the charter school authorizer's reasons for the  
43 determination. Each report shall be posted on the Department of  
44 Education's website. In the event that the charter school authorizer  
45 is the charter school authorizing board established pursuant to  
46 section 2 of P.L. , c. (C.) (pending before the Legislature as this  
47 bill), the board shall forward a copy of each report to the

1 department no later than 25 days after making the determination to  
2 revoke or not to revoke the charter.

3 (cf: P.L.1995, c.426, s.17)

4  
5 27. Section 4 of P.L.2000, c.142 (C.18A:36A-17.1) is amended  
6 to read as follows:

7 4. a. If at any time **the commissioner** a charter school  
8 authorizer determines that a board of trustees is in jeopardy of  
9 losing its charter or an applicant is in jeopardy of not being granted  
10 a charter, the **commissioner** charter school authorizer shall so  
11 notify the board of trustees or the applicant. The board of trustees  
12 or the applicant shall, within 48 hours of receipt of such  
13 notification, provide to the **commissioner** charter school  
14 authorizer, in writing, a complete list of the names and addresses of  
15 all students and staff currently enrolled and working in the school,  
16 or in the case of an applicant, a complete list of the names and  
17 addresses of all students and staff intending to enroll or work at the  
18 school, so the **commissioner** charter school authorizer may send  
19 the appropriate notice to the parents or guardians and staff.

20 b. Prior to closing a charter school, either through non-renewal  
21 or revocation of the charter, a charter school authorizer shall  
22 develop a protocol to ensure the orderly transition of students and  
23 their records to the new school of attendance, and the proper  
24 disposition of school funds, property, and assets. The protocol shall  
25 establish specific tasks to be performed, the timeframe in which the  
26 tasks shall be performed, and the individuals responsible for  
27 performing the tasks. In the event that a charter school closes for  
28 any reason, the charter school authorizer shall manage the closure to  
29 ensure an orderly transition for students and parents.

30 (cf: P.L.2000, c.142, s.4)

31  
32 28. R.S.52:14-7 is amended to read as follows:

33 52:14-7. a. Every person holding an office, employment, or  
34 position

35 (1) in the Executive, Legislative, or Judicial Branch of this  
36 State, or

37 (2) with an authority, board, body, agency, commission, or  
38 instrumentality of the State including any State college, university,  
39 or other higher educational institution, and, to the extent consistent  
40 with law, any interstate agency to which New Jersey is a party, or

41 (3) with a county, municipality, or other political subdivision of  
42 the State or an authority, board, body, agency, district, commission,  
43 or instrumentality of the county, municipality, or subdivision, or

44 (4) with a school district or an authority, board, body, agency,  
45 commission, or instrumentality of the district,  
46 shall have his or her principal residence in this State and shall  
47 execute such office, employment, or position.

1 This residency requirement shall not apply to any person (a) who  
2 is employed on a temporary or per-semester basis as a visiting  
3 professor, teacher, lecturer, or researcher by any State college,  
4 university, or other higher educational institution, or county or  
5 community college, or in a full or part-time position as a member of  
6 the faculty, the research staff, or the administrative staff by any  
7 State college, university, or other higher educational institution, or  
8 county or community college, that the college, university, or  
9 institution has included in the report required to be filed pursuant to  
10 this subsection, or (b) who is employed full-time by the State who  
11 serves in an office, employment, or position that requires the person  
12 to spend the majority of his or her working hours in a location  
13 outside of this State.

14 For the purposes of this subsection, a person may have at most  
15 one principal residence, and the state of a person's principal  
16 residence means the state (1) where the person spends the majority  
17 of his or her nonworking time, and (2) which is most clearly the  
18 center of his or her domestic life, and (3) which is designated as his  
19 or her legal address and legal residence for voting. The fact that a  
20 person is domiciled in this State shall not by itself satisfy the  
21 requirement of principal residency hereunder.

22 A person, regardless of the office, employment, or position, who  
23 holds an office, employment, or position in this State on the  
24 effective date of P.L.2011, c.70 but does not have his or her  
25 principal residence in this State on that effective date shall not be  
26 subject to the residency requirement of this subsection while the  
27 person continues to hold office, employment, or position without a  
28 break in public service of greater than seven days.

29 Any person may request an exemption from the provisions of  
30 this subsection on the basis of critical need or hardship from a five-  
31 member committee hereby established to consider applications for  
32 such exemptions. The committee shall be composed of three  
33 persons appointed by the Governor, a person appointed by the  
34 Speaker of the General Assembly, and a person appointed by the  
35 President of the Senate, each of whom shall serve at the pleasure of  
36 the person making the appointment and shall have a term not to  
37 exceed five years. A vacancy on the committee shall be filled in the  
38 same manner as the original appointment was made. The Governor  
39 shall make provision to provide such clerical, secretarial and  
40 administrative support to the committee as may be necessary for it  
41 to conduct its responsibilities pursuant to this subsection.

42 The decision on whether to approve an application from any  
43 person shall be made by a majority vote of the members of the  
44 committee, and those voting in the affirmative shall so sign the  
45 approved application. If the committee fails to act on an application  
46 within 30 days after the receipt thereof, no exemption shall be  
47 granted and the residency requirement of this subsection shall be  
48 operative. The head of a principal department of the Executive

1 Branch of the State government, a Justice of the Supreme Court,  
2 judge of the Superior Court and judge of any inferior court  
3 established under the laws of this State shall not be eligible to  
4 request from the committee an exemption from the provisions of  
5 this subsection.

6 The exemption provided in this subsection for certain persons  
7 employed by a State college, university, or other higher educational  
8 institution, or a county or community college, other than those  
9 employed on a temporary or per-semester basis as a visiting  
10 professor, teacher, lecturer, or researcher, shall apply only to those  
11 persons holding positions that the college, university, or institution  
12 has included in a report of those full or part-time positions as a  
13 member of the faculty, the research staff, or the administrative staff  
14 requiring special expertise or extraordinary qualifications in an  
15 academic, scientific, technical, professional, or medical field or in  
16 administration, that, if not exempt from the residency requirement,  
17 would seriously impede the ability of the college, university, or  
18 institution to compete successfully with similar colleges,  
19 universities, or institutions in other states. The report shall be  
20 compiled annually and shall also contain the reasons why the  
21 positions were selected for inclusion in the report. The report shall  
22 be compiled and filed within 60 days following the effective date of  
23 P.L.2011, c.70. The report shall be reviewed, revised as necessary,  
24 and filed by January 1 of each year thereafter. Each report shall be  
25 filed with the Governor and, pursuant to section 2 of P.L.1991,  
26 c.164 (C.52:14-19.1), with the Legislature, and a report may be  
27 revised at any time by filing an amendment to the report with the  
28 Governor and Legislature.

29 As used in this section, "school district" means any local or  
30 regional school district established pursuant to chapter 8 or chapter  
31 13 of Title 18A of the New Jersey Statutes and any jointure  
32 commission, county vocational school, county special services  
33 district, educational services commission, educational research and  
34 demonstration center, environmental education center, and  
35 educational information and resource center. The term "school  
36 district" shall include a charter school established pursuant to  
37 P.L.1995, c.426 (C.18A:36A-1 et seq.), except as otherwise  
38 provided pursuant to section 9 of P.L.2013, c.149 (C.18A:36C-18).

39 b. If any person holding any office, employment, or other  
40 position in this State shall attempt to let, farm out or transfer such  
41 office, employment, or position or any part thereof to any person,  
42 he shall forfeit the sum of fifteen hundred dollars (\$1,500.00), to be  
43 recovered with costs by any person who shall sue for the same, one-  
44 half to the prosecutor and the other half to the treasurer for the use  
45 of the State.

46 c. No person shall be appointed to or hold any position in this  
47 State who has not the requisite qualifications for personally  
48 performing the duties of such position in cases where scientific

1 engineering skill is necessary to the performance of the duties  
2 thereof.

3 d. Any person holding or attempting to hold an office,  
4 employment, or position in violation of this section shall be  
5 considered as illegally holding or attempting to hold the same;  
6 provided that a person holding an office, employment, or position in  
7 this State shall have one year from the time of taking the office,  
8 employment, or position to satisfy the requirement of principal  
9 residency, and if thereafter such person fails to satisfy the  
10 requirement of principal residency as defined herein with respect to  
11 any 365-day period, that person shall be deemed unqualified for  
12 holding the office, employment, or position. The Superior Court  
13 shall, in a civil action in lieu of prerogative writ, give judgment of  
14 ouster against such person, upon the complaint of any officer or  
15 citizen of the State, provided that any such complaint shall be  
16 brought within one year of the alleged 365-day period of failure to  
17 have his or her principal residence in this State.

18 (cf: P.L.2011, c.70, s.2)

19

20 29. There is appropriated from the General Fund to the  
21 Department of Education the sum of \$250,000 for the purpose of  
22 supporting the operations of the charter school authorizing board.

23

24 30. Section 1 of P.L.2011, c.140 (C.18A:36A-4.1) is repealed.

25

26 31. This act shall take effect immediately.

27

28

29

#### STATEMENT

30

31 This bill provides a new short title, the "Charter School  
32 Accountability and Authorizer Act," for the law governing charter  
33 schools in New Jersey, and makes various changes to the State's  
34 charter school program.

35 The bill establishes the charter school authorizing board that  
36 will, in addition to the Commissioner of Education, serve as a  
37 charter school authorizer. The board will include nine members,  
38 including three members who will be appointed by the Governor,  
39 four members, one of whom will be appointed by the President of  
40 the Senate, one by the Speaker of the General Assembly, one by the  
41 Minority Leader of the Senate, and one by the Minority Leader of  
42 the General Assembly, and two ex officio members, the President of  
43 the State Board of Education, and the Executive Director of the  
44 New Jersey School Boards Association. The State Board of  
45 Education would provide oversight of the charter school authorizing  
46 board, and would have the authority to suspend the charter school  
47 authorizing board's activities, for up to three years, if the State  
48 board determines that the charter school authorizing board is

1 deficient in performing its duties. The bill also makes an  
2 appropriation of \$250,000 to support the operations of the charter  
3 school authorizing board.

4 Under the provisions of the bill, the process by which charter  
5 school applications are approved is modified. Each charter school  
6 authorizer would annually issue a request for proposal that would  
7 detail, among other things, the school districts or communities in  
8 which a new charter school would be approved, the criteria that the  
9 authorizer will use when evaluating applications, and any  
10 preference the authorizer may have for an applicant that  
11 demonstrates the capacity to serve a specific disadvantaged  
12 population of students.

13 The bill requires that the charter school authorizer and any  
14 charter school that it approves enter into a charter contract. The  
15 charter contract will specify the performance framework on which  
16 the authorizer will evaluate a charter school's performance.

17 The bill requires that a school district that intends to sell or lease  
18 a school facility must grant right of first refusal to purchase or lease  
19 the property to a charter school that, pursuant to its charter, enrolls  
20 students who reside in that district.

21 The bill includes provisions to require that a charter school:  
22 refrain from engaging in any sectarian practices; conduct an annual  
23 audit of the charter school's accounts and financial transactions;  
24 and adopt and implement a nepotism policy that is in accordance  
25 with the nepotism policy requirements that apply to other public  
26 schools.

27 The bill makes a number of other statutory changes, including:

- 28 • lengthens the term of an initial charter, from four years to  
29 five years, and a renewed charter from five years to, at the  
30 discretion of the charter school authorizer, up to 10 years;
- 31 • requires that a charter school teacher demonstrate that he is  
32 highly qualified according to criteria set forth in the bill;
- 33 • requires that a charter school makes admission decisions  
34 through a certified public lottery if the number of students  
35 seeking admission exceeds the number of available spaces;
- 36 • clarifies that a person holding an office, employment, or  
37 position at a charter school must have his principal residence  
38 in New Jersey;
- 39 • requires that when a student withdraws from a charter school  
40 and enrolls in another public school, the new school accept  
41 any credits earned by the student when the student was  
42 enrolled in the charter school;
- 43 • provides that a charter school must comply with the same  
44 requirements that apply to school districts regarding the  
45 retention of an undesignated general fund balance for use in  
46 subsequent school years; and

**S2319 RUIZ**

27

- 1 • repeals the authorization for the conversion of high-
- 2 performing nonpublic schools located in failing school
- 3 districts into charter schools.

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**SENATOR M. TERESA RUIZ (Chair):** Good morning, and welcome to the Senate Education Committee hearing.

Roll call.

MS. SAYNISCH (Committee Aide): Senator Ruiz.

SENATOR RUIZ: Here.

MS. SAYNISCH: Senator Turner.

**SENATOR SHIRLEY K. TURNER (Vice Chair):** Here.

MS. SAYNISCH: Senator Beach. (no response)

Senator Allen. (no response)

Senator Doherty. (no response)

SENATOR RUIZ: I know that some of our colleagues are on their way in, but since today is just going to be for discussion purpose only, I wanted to get started fairly close to on time.

Before we ask the Department of Education to make their way forward, I want to welcome the State PBA, who is here listening in on the charter conversation. But a shout-out to our Essex County representative, Chris Tyminski.

And I will turn it over to Senator Turner, who I think also has a group here today.

SENATOR TURNER: Thank you, Madam Chair. I'd like to give a shout-out to Rider University, who is here with -- Professor Simonet, with his students -- his journalism class. And I just wanted to welcome them. And, who knows? They may be covering us, in the near future, as State House reporters.

SENATOR RUIZ: Oh, great.

SENATOR TURNER: Thank you so much for being here.

SENATOR RUIZ: Thank you.

Senator Beach has joined the Committee.

I'm going to ask Evo Popoff, Assistant Commissioner and Chief Innovations Officer for the Department; and Patricia Morgan, Chief Legal and External Affairs, to come up and open today's testimony.

I just want to thank everybody who is here today to join us in the beginning of a conversation on a draft version of a bill, and I highlight those two components. Because this is just the start; this should be a very proactive, positive discussion about what are the unintended consequences, if there are; where are there avenues for us to pave the way to make it better for children to succeed; where are there intersections for disciplines to be shared; are there innovations that other states, other agencies, or organizations are seeing; and how can we make the 1995 law much better for modern day needs?

I'm very proud of the work of this Committee and all of the members here; because oftentimes legislators put laws on paper, and we never go back to revisit if there are unintended consequences, or if there are opportunities to make things better. Today, our focus should be that, and I'm very much looking forward to everybody's expertise as we move forward the State Education agenda.

Thank you.

**E V O P O P O F F:** Good morning, Senator Ruiz and members of the Committee. It's a great honor to be here this morning to testify before you on the state of charter schools in the State of New Jersey.

Twenty years ago the Legislature, finding that charter schools were in the best interest of students in New Jersey, enacted the Charter School

Program Act. Among the reasons for doing that was the belief that charter schools offer the potential to, among other things listed in the Act, improve pupil learning, encourage the use of different and innovative learning methods, and establish new forms of accountability for schools.

I believe that 20 years later we have a very healthy charter sector in the State of New Jersey that has lived up to the potential within that initial Act. We have a very innovative group of charter schools within the state; some examples of the innovation are the extended day and year programs, and schools that run Saturday school programs. We have schools that have very innovative approaches to staffing -- whether it's school-wide teacher leadership residency programs, or embedded tutoring corps that are in the schools.

We also have schools with very innovative programs: A high school, for instance, where they will allow students to graduate with health care certifications, whether with an EMT license or an LPN; others that have performing arts focused programs. So in general, a very innovative sector.

We also have a high-quality charter school group. Recently, the National Alliance for Public Charter Schools, in a report on the health of charter schools across the state, listed the State of New Jersey as number four in terms of the health of the charter schools from a perspective of quality, innovation, and growth.

We now have 87 schools across the State of New Jersey; of those, about 59 percent of those qualify as *high quality seats* within our performance framework. And an outside organization called CREDO -- the Center for Research on Education Outcomes, in a November 2012 report, found that, on average, charter students in New Jersey gain an additional

two months of learning in reading, an additional three months of learning in math in one school year compared to their public school counterparts. And in certain districts -- particularly Newark -- those numbers go up to approximately seven-and-a-half months in reading and nine months in math.

So again, we have a growing charter sector, but one that we believe has lived up to the potential of the Charter School Act.

The Office of Charter Schools operates within the Office of Innovation within the Department, and our role as authorizers is basically threefold: one, we authorize and grant new charters for schools. We also oversee and monitor schools to ensure compliance with State and Federal law, as well as with their initial charter and their contract with the authorizer.

We also engage in a process of reviewing, and renewing, and expanding charter schools. Currently charter schools, in their initial term, have a four-year term. And at the end of that term, we engage in a renewal process with those schools to determine whether they remain open with a five-year charter extension, or get closed.

We assess and provide that oversight for charter schools based on a charter schools performance framework that we've developed over the last few years. The goal of that is to provide a consistent definition of *school success*, and set rigorous targets for charter schools within the state and provide more transparency for schools so they understand how they're performing against the expectations that we hold for them.

The performance framework asks three basic questions of charter schools: First, is the school an academic success? Second, is it financially

viable? And third, is the school equitable and organizationally sound? And those are the standards that we set for the schools, that are encapsulated within the framework, that we then use as we make decisions about the schools -- whether it's about renewal, or expansion, or anything else that we have to make decisions on.

Over the last three years, since I've joined the Department, we have seen growth in the charter schools in the state. We've approved 20 schools, and, in that same timeframe, we've closed 12 schools down. In general, we have received approximately 30 to 40 applications during our main charter application round. So every year we have two application rounds: one that's open to everyone, and a second one that's in October that is for qualified providers -- those who have a proven track record of success operating charter schools in the past. In the one that's open for everyone, we tend to have about 30 to 40 applications. And by the end of the process we typically approve two or three schools -- so less than 10 percent of the applicants make it to getting their initial charter approval. They then have to go through a preparedness process to receive their final charter. But that speaks to, in part, the rigorous process that we've put in place, particularly over the last few years, to ensure that only the best and those who are capable of opening charter schools are able to operate charter schools.

At our current state, we believe we have the capacity to handle the amount of charter applications that are coming in, and we believe that we have done so with rigor and with quality.

As I mentioned before, we do also provide oversight of the charter schools. Upon receiving approval of their charter, the State would enter into a contract with all new charter schools. Part of the terms of the charter

contracts include the performance framework that I discussed before. We also do things like monitor their fiscal viability, looking at certain ratios; and also organizational capacity. And in that capacity, if we do hear of any complaints we work with other organizations to launch investigations, if those are necessary. Part of that work -- if it becomes necessary, if the school isn't financially viable or has academic concerns, we will put a school on probation, which then requires a school to provide a corrective action plan to the Department. Failure to live up to that corrective action plan can lead to the closure of the school.

Over the last three years, and even before that, we have invested significant resources to increase and improve the capacity of the charter school authorizing office within the State. Just by sheer numbers alone, we've doubled the size of our office so that in 2009 we had approximately 5 staff, and today we have 10 staff members. We've also introduced new systems, including an epicenter online Charter Management System to help us streamline and become much more efficient in terms of our processes.

We've also dedicated resources to work closely with organizations such as NACSA and others to align our practices to national best practices and improve the quality of the work that we do. And, in the process, we've strengthened our application process, our performance oversight process, and, frankly, everything that we've been doing as an authorizer.

As such, I believe that we have accumulated a great wealth of institutional knowledge, but also have taken great strides to align ourselves with best practices nationally, as far as authorizing goes.

Our work, moving forward, is really focused on sort of three areas: one is to take what we've already done with regard to the development of

performance frameworks and increase and improve our transparency even more. Our goal is really that any school that is going into a renewal process, or that is on probation, understands why they are there, understands that if they're being closed, why they're being closed; and has that information early enough so that they can actually take the steps necessary to remediate whatever the challenges are.

We also, as always, will continue to focus on increasing the number of quality charter seats in the state, and then focus on areas of need in the state, as well.

That's the end of my testimony. So if there are any questions?

SENATOR RUIZ: I just was curious if you had an opportunity-- You highlighted opening and closing of schools, and I think one thing that I was trying to grapple with is to ensure that we have responsible opening timeframes so that the district is capable to deal with opening. And I don't know if I came up with the right equation, but it's something for the Department to look at; and, when in fact you're closing down a school, that there is enough timeframe there as well for the students, the families, the professionals, and then the district that will potentially end up absorbing those students coming back in.

And this might be out of the scope of this, but we have to figure it out so that when instances like that -- it tends to be that money will go out to follow the child much quicker than money comes back, until we reach a certain number. And this just has to do with however the formula or the capacity-- So it's not -- if I come back into the district, the district doesn't automatically get my per-pupil spending. It has to be me plus maybe 100 more before DOE realizes that there's an increase in population. And I

would just say that if we're mindful of that outside of this -- and maybe it's a different bill -- but we need to start looking at that. I think districts that deal with increases in population as well, outside of a charter spectrum, it also has an impact. So I just would be mindful of that.

Are there any questions or comments from the members? (no response)

Thank you very much.

MR. POPOFF: Thank you.

SENATOR RUIZ: Thank you.

Next, I'll ask Amanda Fenton, Director of State and Federal Policy for National Association of Charter School Authorizers.

And, again, I know that everybody has voluminous testimony to submit. I will ask you not to read your testimony, and make sure that your remarks are up to seven minutes so we can move the Committee hearing along.

Thank you.

**A M A N D A F E N T O N:** Thank you very much for having me here today. My name is Amanda Fenton, and I'm the Director of State and Federal Policy of the National Association of Charter School Authorizers. Our President and CEO, Greg Richmond, regrets that he cannot be here in person to offer testimony.

We prepared some great remarks, which are being circulated now. And in the interest of brevity I'll try and summarize them here for you today.

I also want to say, one of the roles here at NACSA is to be a repository for authorizing policies across the country. So any questions that

you all have about practices or policies that other states use in this field, I would be happy to answer any of those at any time.

So let me first tell you a little bit about NACSA. We're a nonprofit organization devoted to improving the practices and policies of charter school authorizing. While we have *charter school* in our name, we are not pro-chartering for charter's sake; we believe that providing all children with a strong public education is our ultimate goal, and NACSA focuses on fostering a quality charter school sector as a means to that goal. We believe that the purpose of charter schools is to provide children with a better education, and authorizing is the tool that we use to achieve that goal.

The Department provided you with an overview of essentially the three main responsibilities of an authorizer. They're responsible for approving charter school petitions to ensure that only highly qualified folks receive a charter. They're responsible for the oversight of the charter school during the operation of the charter; and they're also responsible for renewing the charter for renewal or, possibly, for closure decisions.

One of the things that NACSA is known for is our principles and standards of quality charter school authorizing which outline national best practices in each of these three areas.

So we very much support the authorizing provisions of S-2319. And I want to talk about the three questions that we generally receive about this bill when we're asked about it.

The first question that we receive is: Why is it important to codify practices in statute when the Department has such strong practices in practice? The second question we receive is: Why is it important to have a second authorizing option in the state? And the third question that we

often receive is: What are any areas of the bill that could be strengthened or improved?

So first, on the importance of codifying practices into statute: The Department has very strong practices in charter school authorizing. They worked extensively with NACSA over the past several years to develop some of the models that they spoke about around performance contracts, performance frameworks to ensure a really high-quality charter school sector. That's one of the contributing factors to their high rank on the Health of the Movement report.

We do have their support codifying these practices into statute to ensure that they are available in perpetuity for the authorizer as well as the charter sector. Personnel changes happen, Commissioners change, individual department staff change; and the statutory reference to these practices provides a strong basis to ensure that they continue, regardless of who is actually in that office.

We're also asked about the second authorizer. We support a second authorizer because it provides a second option to the State; and provides a form of authorizer accountability by ensuring that there are controls in place, and another option available if the one available authorizer ends up either retracting in their practices or, potentially, succumbing to some overreach in their practices. So it provides that check and that alternative should that leadership change or should the practices change.

Now, the way to create a second authorizer is very much how S-2319 has outlined it. We endorse ICBs -- Independent Chartering Boards -- because they provide a focused entity that's goal is authorizing; and that is all that they do. We also endorse, when you have a strong authorizer in

place like New Jersey has, that if you create a second authorizer you need to do so very carefully in policy to ensure that you're having high practices and high-quality practices for both of your authorizers. And the codification of statute and practices in statute that S-2319 does supports that goal.

The third question I receive is: Are there any opportunities for changes or improvements to the bill? And we'd be happy to talk about this, as I know this is a draft proposal. One of the specific issues that I do want to have the opportunity to point out today in my testimony is a specific word insertion on page 26 of the bill, which is subjecting charter schools to the same accountability systems as traditional public schools in the state. This is a well-intentioned proposal that we see in a lot of places; and, unfortunately, it can actually create some problems in implementation for us and for authorizers across the country. What it unintentionally does, in a lot of places -- and we've seen this happen in places like Arkansas and other states -- is a state interprets this as putting a charter school under the traditional program improvement or school turnaround efforts, instead of enforcing the charter and closing the school. Now, you know, I'm not -- I don't believe that the Department is doing that currently; I know that they're very aggressive on their accountability, and they're very strong in closing schools. But by creating that kind of contradictory language in statute it does leave an authorizer open to vulnerabilities of not being able to close a school when they need to, and having to instead engage in a school turnaround effort.

So I want to thank you very much for having me here today. As was stated earlier, New Jersey has not significantly reformed their charter school

law since it was implemented. We think that this is a very strong start for starting those discussions and engaging in that debate.

Thank you.

SENATOR RUIZ: Thank you for being here.

Do you think it's critical for us to implement a second authorizer? At one point in time -- so you know why the discussion came up, and I've had discussions with the Assembly Chair on this as well -- is that we were highlighted as not being able to draw down on funds. But then in discussions with the Department, I think that was a misquote; that the Charter division had gone through different leadership changes, and now that they have staffed up are not so sure if New Jersey is in dire need of having another authorizer -- which is something that I think that, at the end of this bill, will be one point of discussion.

MS. FENTON: Well, you're in a very admirable position, that you have a strong authorizer in New Jersey in the New Jersey Department of Education. We support a second authorizer because we think that that second option is a very important quality check for the existing authorizer, to ensure that the charter sector and the schools are not under a potential stranglehold of one authorizer. You know, authorizer practices can, unfortunately, change pretty dramatically, depending on the personnel that are involved in the office. And we find that the second authorizer provides that kind of release valve in case that does happen -- particularly if it's high quality. You know, I would point to -- New York has two very strong independent authorizers -- the state Education agency as well as SUNY -- that's the most equivalent to the two statewide authorizer system.

SENATOR RUIZ: Thank you.

Any questions or comments? (no response)

Thank you very much.

MS. FENTON: Thank you.

SENATOR RUIZ: Next, I'll ask Nat Bender, Communications Director, and Norine Gall, American Federation of Teachers, to come up.

**N A T B E N D E R:** Good morning, my name is Nat Bender with the American Federation of Teachers New Jersey. I'm here with Norine Gall on behalf of Donna Chiera, who is out of state and wished to send her eagerness to work with the Committee and the Senators to the hearing today.

You know, AFT believes that charter schools can be a part of school reform. We remain concerned with some of the aspects in the legislation as it's written here today. And so the best thing I could do, in the absence of Donna, was to bring a veteran teacher to the table. Norine has been in the schools for more than the past 30 years, alongside Donna in Perth Amboy. And she's here today to talk about our issues with the legislation.

SENATOR RUIZ: Okay.

**N O R I N E G A L L:** Thank you; good morning. Thank you for having us.

AFT research from other states indicates that creating multiple authorizers leads to forum shopping, where potential charters go from one board to another, to advocate for approval.

In my written testimony I cited diminution of standards in Ohio from having multiple authorizers, and the Illinois board approving an application previously rejected by Chicago Public Schools.

We feel strongly that multiple boards could create disparities in standards for approving or rejecting a potential charter. If multiple boards will exist, we would hope that they would collaboratively work together.

Why do we need an additional authorizer for these target districts? Is there currently an overload of applications for DOE, or is there the expectation that there will be a significant increase in the number of applications as a result of this legislation?

Next, it's not clear that the new charter application process will take into account the needs of the community and district. What qualifies a school district or community to be on the list of urban school districts governed by this authorizer? Will the community have a real voice in consideration of charter approvals?

Two public meetings are good, but how about an actual vote where your voice counts and isn't just heard? If money is going to be moving from a traditional neighborhood school to a charter, shouldn't residents, as taxpayers of the community, have a voice and vote?

We see, in urban districts like Newark, students are being moved to charters while their traditional neighborhood schools are being closed. And how do we establish the need for further charters? Why aren't we strengthening the schools and overseeing that the entire system is functioning well for our students, and not busy pulling students from their neighborhood schools into more and more charters?

We appreciate that the legislation has additional requirements and some protections included. Let me bottom line it in terms of transparency: We would like to see the charter schools reporting their expenditures using the same forms that all New Jersey public school districts use for Federal

purposes. Actually, we would like to see charter schools very much more transparent; we have one in my district and I don't believe that many people even know it's there.

Regarding real estate -- we would like to see public buildings used, absolutely. We definitely feel that once they are no longer being used by a charter school that they should revert back to public property only.

S-2316 (*sic*) extends a term of an initial charter to five years and gives an authorizer the discretion to renew a charter for up to 10 years. That's a decade. Such a long charter contract initially allows charters more time to operate without a review. While the legislation gives new authority to shut down a school at any time, it appears unlikely the authorizer will take as complete a look at the school under this authority as it would under a charter renewal scenario. And we all know, after an amount of time, some things start to fall through the cracks. We definitely need to stay on top of things as much as possible.

S-2316 includes new and strong authority for authorizers to investigate and shut down failing charter schools. This is a positive step. The critical question is whether the Legislature will give the Department of Education the resources it needs for effective oversight.

In conclusion, while the Legislature takes some good steps towards accountability and transparency for charter schools, additional protections are needed to ensure charters are operated in an effective manner. May I just say, after all my years of teaching, it is not about the control, it is not about the power, it is not about who gets the money, who has the jobs, who loses the jobs. The bottom line is the children. Are we providing the best education possible for our children -- be it charter, be it traditional

neighbor. And we need to keep a close eye on both -- traditional neighbor and charter -- because the children are the ones who are going to be sitting here, they are going to be taking my job -- definitely Nat's job -- and we need to keep that in our minds.

Thank you so much.

SENATOR RUIZ: Thank you very much for your testimony.

Any questions or comments? (no response)

Thank you; and tell Donna I said thank you.

Next we'll hear from Diana Autin, Statewide Parent Advocacy Network -- SPAN.

**D I A N A A U T I N:** Good morning, and thank you very much for this opportunity to share our thoughts about the proposed legislation.

SENATOR RUIZ: Diana, is your --

MS. AUTIN: Right, yes; okay.

First, I want to say that the Statewide Parent Advocacy Network is New Jersey's largest and only cross-issue parent advocacy organization in the state, and we are the federally designated parent training information center providing support to families of children with disabilities and at risk of inappropriate identification.

We evaluate all proposed policies based on three criteria: Are they equitable; are they effective, or based on evidence-based practices; and are parents -- diverse parents involved in developing those policies, and/or will they really maximize the opportunity of diverse families to be involved?

Our comments today are based on these principles, as well as on the opportunity to get it right and set the national standard for equity in charter schools.

First, we want to thank this Committee for your thoughtful and reasoned consideration of the concerns that people have raised, and of your approach to this issue and the changes that have already been made in the proposed legislation.

We want to start with some serious reservations about the proposal to establish an additional charter school authorizing board, especially if we don't have to. We believe it's the responsibility of the New Jersey State Board of Education and the Department of Education to ensure that all educational programs in the state meet Federal and State constitutional and statutory responsibilities, including those related to equity and civil rights. And we have questions about how this responsibility could effectively be carried out if a separate entity had the authority to review, approve, or disapprove of charter school applications. Such questions would need to be answered fully before we could support establishment of a separate charter school authorizing board.

And this is especially true for us because we are the people who get the calls from parents of children with disabilities, English language learners, children with challenging behaviors, etc., when charter schools counsel them -- from not applying; or disenroll them, to say it politely, after they arrive at the charter school. So we think there is significant evidence that there is some discrimination that is going on now by charter schools, and so we think this issue of equity and accountability for equity is really critical.

If a new charter school authorizing entity is created, we would urge that there be members with expertise in special education, inclusion,

bilingual education, evidence-based practices, and demonstrated commitment to ensuring equity.

We also believe the criteria by which a charter school is reviewed initially should include criteria related to its demonstrated commitment to include and effectively serve the full range of diverse students, including those with disabilities and English language learners.

Whether or not a new charter school authorizer is created, we support the language in Section 5 that would require the board of education -- New Jersey Board of Education to promulgate regulations that define the nationally recognized principles and standards for review of a charter school application, and more rigorous review of charter school applications.

We would further support language requiring any charter school authorizer to meaningfully consider and respond to concerns raised by the school district and its residents in the determination of whether or not to issue a charter.

We welcome the language in Section 6 that would require development of a charter contract to detail the performance framework by which the charter school's performance would be reviewed, including disaggregation of data in the performance framework by student subgroups, including all of the ones that are listed in the legislation.

These targets should, at a minimum, require the same expectations to which non-charter schools are held. And we assume that this is the intention of the language in this section requiring that any Federal or State accountability requirements will be applicable to the charter school. But we would recommend strengthening of this language to make it as clear as possible to everyone.

In terms of Section 9, we would support allowing districts to sell to the highest bidder, not having to sell at reasonable market rate to charter schools. In these days of district fiscal shortfalls, districts have to be allowed to maximize the finances they can generate by selling buildings that are no longer required to serve the students in the district.

In Section 12, we think there should be language added that would require the county executive superintendent to include, in periodic meetings with charter schools, discussions of concerns that have been raised about equity -- particularly students with disabilities and English language learners. And also, language emphasizing that the county Supervisor of Child Study has the same oversight responsibilities for special education in charter school districts as it does in typical districts.

We also suggest language regarding discipline, suspension, and expulsion of students, since this is how, in our experience, many charter schools are able to disenroll students with disabilities.

In Section 23, we have concerns regarding the provision that the Commissioner may exempt the school from State regulations concerning public schools, except those pertaining to assessment and accountability, testing, civil rights, and student health and safety. As LEAs, charter schools should be bound by all requirements -- unless there are some that don't apply -- because the charter school is only one school as opposed to a group of schools.

So if the Legislature believes that there are some provisions that aren't appropriately applied to charter schools, then we would recommend there be specific tailored legislation that authorizes exemption of charter schools from those specific regulatory provisions. Otherwise, it's simply not

clear enough to students, parents, the charter schools themselves, the Commissioner, etc., exactly what is or is not -- regarding student health and safety, civil rights, etc.

In Section 24, we support the language requiring hiring qualified teachers, and defining it to mean teachers with proper credentials who can demonstrate subject matter mastery.

In general, we support this legislation's emphasis on clearer guidance regarding procedures and guidelines for revocation or renewal of a school's charter, including how to ensure that students in a school whose charter has been revoked are able to register in their district school with their needed educational records.

We would, finally, recommend that the language regarding the annual assessment of each charter school in writing, posted on the Department of Ed's website, include language that addresses information on student attrition in each charter school -- and that could be students who enrolled in or withdrew, or students who left by expulsion and other disciplinary action, etc. -- disaggregated at least by race, ethnicity, disability, and ELL status. This is important, again, because these are issues about which SPAN receives calls complaining about charter schools.

So in closing, thank you for this opportunity to share our comments regarding the proposed charter school legislation; and we look forward to continuing to work with you to ensure that New Jersey's charter school system provides the most effective, equitable, and parent/ community-engaging system possible.

Thank you so much.

SENATOR RUIZ: Thank you, Diana.

In the beginning of your remarks -- and it might be more spelled out in the testimony -- when you're talking about the charter application demonstrating capacity, will SPAN take a look at what type of language we could insert? What would be prudent for an organization to demonstrate that they will have the capacity to meet a student's needs?

MS. AUTIN: We don't have it in our written comments, but we would certainly be happy to provide some suggested language on that.

SENATOR RUIZ: Great, thank you. I appreciate that.

Any questions or comments? (no response)

Thank you very much.

MS. AUTIN: Thank you.

SENATOR RUIZ: Next, we'll hear from Janellen Duffy, Executive Director of JerseyCAN.

Good morning.

**JANELLEN DUFFY:** Good morning, members of the Committee. I'm going to try to keep this brief, because I'm losing my voice this morning. So I will spare you all a lengthy testimony here.

Thank you for the opportunity to speak today. My name is Janellen Duffy and I'm the Executive Director of JerseyCAN, the New Jersey Campaign for Achievement Now, which is a nonprofit education advocacy and research organization.

Today I'm here to testify in support of S-2319, which aims to overhaul New Jersey's 18-year-old charter school law. As you already know from some of the testimony we've already heard this morning, the National Alliance for Public Charter Schools recently ranked New Jersey's charter law

32 out of 43 -- making New Jersey one of the most challenging places for charter schools to operate in the country.

A lot has changed in the 18 years since the charter language was originally written. And without updates in these key areas it will be difficult for high-quality charters to expand and for New Jersey to attract new high-performing charters from other states, where there are typically less restrictions and more facilities options available.

I just want to talk a little bit-- I know Evo already touched on this, but I just want to talk a little bit about charter performance here in New Jersey. Despite the restrictions that I just mentioned, charter performance in New Jersey is strong. As Evo shared earlier, the National Alliance ranked New Jersey's charter movement number 4 out of 26; and as Evo also talked about, a 2012 study from Stanford University showed that, on average, charter students in New Jersey gained an additional two months of learning per year in reading and three months in math when compared with their district school counterparts. In Newark, these academic gains were even greater. Charter schools there gained an additional seven-and-a-half months per year in reading and nine months in math compared to traditional public school students in Newark.

Today, New Jersey's charter schools serve over 40,000 students, but there are over 20,000 students on waiting lists across the state. Parents want more high-quality options for their children, and they're voting with their feet.

Even though charter schools across the New Jersey have been successful under the current law, the National Alliance for Public Charter Schools has pointed out that New Jersey's charter sector will be unable to

grow and flourish, and meet the demands of these families unless the current law is updated to address some of the weaknesses I mentioned earlier. And this is why the new bill that Senator Ruiz has proposed is so critical.

Senator Ruiz, we applaud your efforts to bring this bill forward. It takes into account several best practices from across the country. This includes the creation of an independent second authorizer, which is particularly important to monitor the operational and financial health of our charter schools.

I think this was mentioned earlier, but I'll just reiterate: Currently New Jersey is one of only seven states with just one charter school authorizer. An additional authorizer will help to ensure that high-quality charters continue to grow, and a second authorizer will add capacity in terms of the oversight that authorizers perform to ensure that all charters in New Jersey are delivering a high-quality education for their students.

Research from NACSA -- who we heard from a little earlier -- also indicates that among authorizer types, the independent state board -- such as the one proposed in this bill -- are most likely to create the policies that promote the replication of strong charter schools. And an independent charter board can operate as a specialist in charter issues by providing the expertise, capacity, and scale necessary to ensure high-quality authorizing.

In addition to the creation of a second authorizer, the other changes in this bill regarding authorizing and accountability will strengthen the charter sector here in New Jersey. In particular, the provision in the bill that requires authorizers to issue an RFP that would specify communities where charters are needed and the preferences for serving specific

disadvantaged population of students will help to ensure that charters are approved in areas where they are needed most. And furthermore, the inclusion of a required charter contract will help to strengthen accountability.

Lastly, we welcome and encourage the provisions in this bill that encourage the sharing of best practices across both charter and district schools.

While we applaud all of these measures, there are just a couple of areas within the legislation that we recommend strengthening.

The first pertains to facilities access. In my past experience, working with several of the charter schools across Newark at the Newark Charter Schools Fund, one of the most daunting challenges for new and growing charter schools is access to facilities. This continues to be the case today. In most of New Jersey's urban areas, as you know, there are limited spaces that are available to open a school, especially without costly renovations. In line with the national best practices, S-2319 provides charters the right of first refusal, which will grant school districts the ability to sell or lease a school facility at an amount equal to fair market value.

While we welcome this provision, charter schools, we believe, should also be able to purchase or lease facilities below the fair market value. Purchasing or leasing facilities at fair market value may still be out of the financial reach for many of the charter schools.

Providing charters access to underutilized space at below market rates would help to offset the costs that charters are facing without incurring any new expenses for the State. Other states, such as Mississippi, Washington,

and Indiana, have included provisions in their charter law to allow districts to sell or lease school facilities at or below the market rate.

Second, the bill clarifies that individuals employed in the charter schools are subject to the residency requirement embedded in the New Jersey First Act. While this provision in the bill is merely codifying existing practice, we at JerseyCAN and others are seeking a repeal of this residence requirement for both the charters and the district schools to broaden the pool of educators for New Jersey students. Such a repeal was passed by the Senate State Government Committee back in June, and we would urge the Assembly and the full Senate to consider such a repeal.

That's it for me today. Thank you so much for your time. And Senator Ruiz, thank you so much for your leadership on this important issue.

SENATOR RUIZ: Thank you.

Any questions? (no response)

Next, I'll ask Sharon Kregel, Policy and Outreach Coordinator for the Education Law Center.

**S H A R O N K R E N G E L:** Thank you, Senator Ruiz and members of the Senate Education Committee, for the opportunity to speak on behalf of Education Law Center. I'm Sharon Kregel, I'm the Policy and Outreach Director for ELC.

The State's implementation of the charter school program has changed significantly since the charter school law was enacted almost two decades ago. It is our hope that the goal of this Committee's review of the charter school law will be to ensure that any additional new charter schools are only authorized after rigorous and comprehensive State review,

including an assessment of the impacts of student segregation and funding lost in the districts of residence.

Your review must also examine whether State ongoing monitoring of approved charter schools ensures these schools are operating equitably and effectively, and are advancing a thorough and efficient education for all students -- district and charter alike.

Over the last several years, the Christie Administration has implemented the charter school program not as a laboratory for innovation to assist district schools or to provide alternatives for students at risk of academic failure -- as the Legislature intended in 1995. Instead the Administration has encouraged and allowed charter schools to serve as a replacement for district schools and, if current trends continue in some districts, replace the district itself as the primary provider of public education to children.

In Newark we estimate that charters have already been authorized to serve upwards of 40 percent or more of all district students. Further, as Senator Ruiz knows very well, from Newark, this unplanned charter growth occurs largely out of public view, triggering the closing of neighborhood schools, and exacerbating student segregation and a loss of funding for students in district schools.

In fact, just last week, in a legal argument before the Appellate Court, the Attorney General revealed for the first time that New Jersey has many more operating charter schools than the 87 charters in the official DOE count. Much to our surprise, the Attorney General told the judges that 23 out of the 87 approved charters are currently operating not just one school, but two or many more charter schools. A few have been allowed by DOE to

open entire networks of schools for the apparent purpose of replacing -- not enhancing -- district schools, with the ironic effect of limiting public school choice for students.

At ELC we attempted to figure out the number of charter schools in operation, and discovered there may be as many 40-some additional schools, bringing the statewide total to 130 or more.

This was quite a surprise to us, but I can't tell you exactly how many charter schools are now open in New Jersey districts. The DOE does not make this information public; all we know is that the DOE lists 87 charters on its website -- a number that the Attorney General concedes is not accurate.

We also don't know how the DOE approved these additional charter schools -- whether they were authorized in compliance with existing law. It does appear that at least some of the schools have been allowed to open in violation of the current law. In particular, no notice was given to legislators and local officials about many of these new schools, as is required under existing law. Because local and State officials -- and most importantly, parents and students -- have been deprived of notice of these proposed charters, an important aspect of the original charter approval process, there's no assurance that the fiscal, segregative and other impacts on district schools and students was even considered by the Department.

The Christie Administration has fundamentally altered the charter program without legislative authorization. The DOE no longer authorizes individual charter schools, but is authorizing charter operators -- many national and out-of-state organizations that are then free to open not just

one, but two, three, or even networks of charter schools in one district or multiple districts.

The Legislature must get a handle on this situation before even contemplating any changes to the charter law. ELC calls on this Committee, along with your counterparts in the Assembly, to conduct a joint investigation into the status of implementation of the charter program. This investigation must include a full accounting of the number of individual charter schools in operation in each district, and information about the operators of those schools: the levels of enrollment approved by the DOE; the extent to which existing charters can open new schools to accommodate already approved enrollments; the process by which charter operators have been allowed to open new schools or expand existing schools; and the impact of this growth in charters and enrollments on key factors, including the loss of essential programs, staff, and services in the budgets of district schools, and the segregation and isolation of students by race, socioeconomic status, English language barriers, disability, and other at-risk factors in resource-depleted district schools.

We recommend the Committee not only obtain information from the DOE, but hear more from independent researchers, educators, parents, and stakeholders from both the districts and the charter schools. We strongly recommend public hearings, and that hearings be held in the State-operated districts of Newark and Camden. Once this comprehensive record is completed, we will be in a more informed position to determine what essential changes are needed to ensure the charter law achieves the core objectives of educational equity, opportunity, and improved outcomes for all students, whether they're enrolled in district schools or charters.

We also urge this Committee to put on hold S-2319, or any other charter law amendment at this time. Given the surprising, to say the least, revelations of the Attorney General, and the substantial questions regarding the manner in which the charter program has been implemented and altered, it is entirely premature to even consider whether additional entities to authorize even more charters are necessary or appropriate. We simply can't consider whether New Jersey students will benefit from additional authorizers when we don't even know the full extent of what the DOE has already authorized.

We simply don't have this information and the data necessary for an informed discussion of these and other proposals, and about how best to reform and improve New Jersey's charter program for the benefit of all students. But we stand ready to assist you in undertaking this long overdue and essential task.

Thank you very much, and thanks for the opportunity.

SENATOR RUIZ: Any questions? (no response)

Thank you.

MS. KRENGEL: Okay, thanks.

SENATOR RUIZ: Next, I'll ask Donna Siminski, Director of Policy and Advocacy; and Paul Josephson, Board (sic) Member, New Jersey Charter Schools Association.

**D O N N A S I M I N S K I:** Good morning. Thank you for this opportunity today.

I will spare you reading my entire testimony; I just want to really hit on the high points today.

My name is Donna Siminski; I am the Director of Policy and Advocacy for the New Jersey Charter Schools Association.

I first want to thank you, Senator Ruiz, for this opportunity to have this discussion. I've been with the Association now for three years and we've been really looking forward to this.

As has been stated previously, our charter school law is extremely outdated, yet we still have 87 high-performing schools. We're serving nearly 40,000 students this year, and we still have 20,000 kids on wait lists. I think that speaks volumes about the need.

But we do want to be mindful and address some of the issues that we've been talking about over the last couple of months. And you've hit a lot of those in this bill. Let me start by saying thank you for improving the authorization process. Dual authorizers -- having a truly second independent authorizer -- is really what's going to help propel our state forward in terms of having a strong charter school sector 10 years from now. If it's another 18 years before we look at the law again, I think we really have to be mindful of the changes that may come about over that time, and think about how do we provide continuity and as much political insulation as possible.

And so, this bill really addresses that, and we applaud that.

A couple of other factors in this bill that we are very supportive of is the RFP, as Janellen had mentioned. We also applaud the performance contract. We have seen, time and time again, charter schools might be on the cusp of closing because they're not measuring up to the performance framework. And so we've had conversations with the DOE about this. If we had a contract between the charter schools and the authorizer that

would help establish very rigorous standards outside of the performance framework -- inclusive of, but in addition to -- we might have been able to keep a school like Emily Fisher open, where they were serving high school dropouts. Now, the point is, we have no place to serve these kids. So I think when we think about raising the bar in performance we not only have to look at measuring up to what comparative districts are doing, but how do we serve kids and meet them where they are?

So I just want to point out that I think that's a huge addition to the law.

A couple of things: Of course I want to mention the facilities access, which is incredibly important with our schools. It's one of the most difficult things that a charter school has to face: finding a facility that's going to be safe and it's going to help provide all of the resources for students to learn. Adding this provision in the bill is very helpful; we would also like to see it at or below, just, once again, to be able to provide even more access to schools that are in need.

I would be remiss if I did not talk about what we consider the elephant in the room, which is always, for the charter schools, the lack of funding equity. We've had multiple conversations, not only with the Senator, but members of the Legislature about this. Charter schools are intended to receive 90 percent of the per-pupil funding that their district counterparts receive, and our students receive much less. Then you add the fact that we're taking about \$1,400 per student out of that money to pay for facilities -- it puts an undue burden on our schools. I just wanted to put that on record and mention that that's something we support.

In addition, one other point that we wanted to bring out that we thought you might not be aware of, but could have unintended consequences, in this bill: the definition of *highly qualified* in this bill. It slightly varies from that Federal definition. We've had some conversations about this; we create dual definitions. We think that if you could leave the reference to *highly qualified* and we go by what is known as the *Federal acceptable standard*, which refers back to NCLB, I think that might clear that piece up.

I'm now going to turn it over to Paul Josephson. He has some testimony.

**P A U L J O S E P H S O N, Esq.:** Good morning, Senator Ruiz and members of the Committee. My name is Paul Josephson; my day is, I am an attorney; but perhaps my more important job is I'm a parent with two children, both of whom have attended Princeton Charter School where I serve as the President of the Board of Trustees.

Donna and the Association have asked me to provide you with a brief supplemental remark or two on some of the consequences of the bill. And obviously, I'm generally in accord with the remarks that Donna has submitted on behalf of the Association; I'm a board member, so I'm there in support of those and I won't repeat that.

There is one aspect of the bill -- that I believe seems like a technicality, but is worthy of some additional comment -- in one remark made by some of the early witnesses, that I would like to address very briefly.

The technical issue in the bill is the issue of undesignated General Fund balances for charter schools -- and this is kind of the point of my

discussion where probably the eyes start to glaze over. But, in essence, it's a very important issue for anybody who serves on the board of a charter school and is trying to ensure the fiscal soundness of the institution. As Donna told you, there is a funding equity issue; I'm not going to beat that horse today, but we're receiving 90 percent of per-pupil expenditure. That actually is more like 75 percent. So in my case in Princeton, where I have a district raising \$21,000, \$22,000 per pupil, I am receiving about \$15,000 per student in educating the same student based on about 70 percent of the revenue that this district has. Furthermore, because of the School Funding Reform Act back in 2008, my \$15,000-per-pupil allocation that I get from the district -- it was the same in 2008, 2009, 2010, 2011, 2012, 2013, 2014. It will continue to be that way for the next several years. So I've been running on a flat budget in a time where my salaries are increasing; I need to increase my salaries, and my teachers' benefits are increasing, as we all know, 10, 15 percent a year. We're seeing health benefits increase on a flat budget.

So in our environment -- being able to soundly manage the school and generate through those efforts of very, very stringent strict fiscal monitoring of what our administration is doing, how we're spending every single dollar that goes out the door -- we do generate some surplus every year. And we believe it is important for us to have a healthy surplus and reserve system to protect us against rainy days, to protect us against emergencies; frankly, to protect us in those situations where we find ourselves on the wrong end of either an accountability audit from the State DOE or from questions that get raised by our district that we are in. Under the bill -- and I believe it's Section 23 -- I apologize, 23 F -- the charters

would be treated the same as regular districts. That formula, at a regular district, is allowed to retain, I believe, it's 2 percent or \$250,000 -- whatever is greater -- as a surplus to carry over into the next year. And so I run our charter school-- We never run out; we usually have about \$250,000 sitting in our bank account at the end of the year. That's not as healthy as I would like that number to be. It leads to some very perverse incentives on our part, which is that, basically, if we get to June and I've got \$400,000 or \$500,000 sitting in the bank account, suddenly, well, we know that the Department's going to be looking and saying, "How much money do you have at the end of the year?" It creates an incentive for folks to be spending money that does not necessarily need to be spent at that point in time, and can be better used being put aside for technology expenditures and for the rainy day efforts.

So I would simply urge the panel, as you consider this legislation, refine the legislation, Senator. We in charters do not tax. We don't get 2 percent additional every year -- or more if we go out -- because we can't go out to the voters. So really, every dollar we get we shepherd very, very carefully. It's important for us to have healthy balances. And this is not an idle issue. As recently as two years ago the Piscataway District instituted an action against four charter schools seeking to reduce the amount of money that the district had to pay to those charter schools, because they had what Piscataway deemed to be *excessive surplus balances* at the end of the year. Just so you have a sense of what those surplus balances were that Piscataway Board of Education found to be objectionable, the balances of the schools were \$157,000, \$117,000, and the astounding number of \$56,000. And based on that, the district took an action to challenge, and to really

fundamentally undermine, the financing of these charter schools in a way that makes it very impossible to operate.

So I thank the Committee for the opportunity to speak. And I will be happy to answer any questions or submit further information on this rather technical, but very, very important, point.

SENATOR RUIZ: Thank you.

Any questions or comments? (no response)

I just want to note that Senator Doherty has joined us.

Thank you very much.

MS. SIMISKI: Thank you.

MR. JOSEPHSON: Thank you, Senator.

SENATOR RUIZ: Next up, I'll ask President Wendell Steinhauer from the New Jersey Education Association.

**W E N D E L L S T E I N H A U E R:** Good morning.

SENATOR RUIZ: Good morning.

MR. STEINHAUER: I'm Wendell Steinhauer, President of the New Jersey Education Association. We proudly represent 200,000 active and retired public employees across New Jersey, including nearly 500 members in nine of the charter schools -- regardless of how many charter schools we agree there are this morning.

I do have some documentation on that. We may get to that, so I'll hold that out.

NJEA has been very clear in our support of charter schools as public schools. Our policy on charter schools says, in part, that NJEA supports high-quality public charter schools as one component of an innovative progressive system of public education; and that public charter schools,

along with magnet schools, vocational schools, and traditional public schools, can all play an important role as laboratories for innovation and provide a broad array of choices for parents.

In that spirit, we supported the original law in 1995 that authorized public charter schools in New Jersey. And most recently, we supported legislation to ensure that public charter schools are subject to the same accountability and safety standards as traditional public schools in order to protect students and staff in those schools.

We also advocated for legislation to prevent profiteering in public charter schools so that student learning, and not corporate profit, will remain the most important priority.

Today, we're pleased to participate in this discussion about the future of public charter schools in New Jersey. It's a very timely discussion because much has changed in the nearly two decades since the original law, that set us on our current path was implemented.

We now have, we believe, 87 charter schools serving approximately 32,000 students as of last year. Among the significant changes is the rise of large-scale charter school chains operating dozens, or hundreds, of schools in multiple states. With that development, the original vision of charter schools, as community-based schools responding to local needs, is getting pushed aside in favor of a more corporate model where proposed solutions are too often imposed upon the community, rather than being derived from the community.

The large-scale, corporatized charter school model is a significant departure from the original idea of responsive, innovative, community-based schools where educator input and local control were prioritized. In

fact, such chain schools often disenfranchise community members, who have no say in whether the schools come to their community and no voice in their operation once they arrive. With large chains, where the ultimate decision makers are far removed from both the community and the school, the opportunity for meaningful input at the local level is limited -- if it exists at all.

We're pleased to see the bill that we're discussing today includes language that highlights the importance of charter schools being established by nonprofit entities, and look forward to working with the sponsor to ensure that both the letter and the spirit of that provision are honored.

Where there has been any attempt to sidestep that priority, or if the potential to do so exists, this legislation would firmly close that door. And we should work together on additional safeguards against any potential abuse of precious public resources. There should be no question that the public funds invested in public schools are for public education, and not for private profit.

We're also pleased to see language that emphasizes the need for public charter schools to be innovative and to share their successes with other public schools, so that all students can benefit. We believe such sharing should go both ways, and applaud the sponsor for making the value of such sharing an explicit part of this legislation.

Among the items we believe deserve more consideration is the formation of a new, politically appointed charter school authorizing board to supplement the role currently filled by the Commissioner of Education. NJEA is not opposed to the idea of a different charter school authorizing authority. In 2011, we supported legislation that would have designated up

to three New Jersey colleges or universities as charter school authorizers. They would have not only authorized public charter schools, but also would have overseen the schools they authorized.

Our concern with the current language of this bill is that the board is explicitly comprised of political appointees. NJEA believes that New Jersey should strive to make the charter school authorization process less political rather than more political. We believe that will lead to greater consistency in policy and decision making, and will help keep the authorization process focused where it should be -- on what is best for all the children of the community in question.

We know that we have to do a better job of making sure the charter schools serve student populations that are representative of the communities in which they operate. We need to be sure we have adequate fiscal and accountability safeguards in place to deal with an era of much larger and more sophisticated charter school operators.

We also need to deal with things that weren't even contemplated 20 years ago, such as virtual charter schools. Now, other states have learned some hard lessons about the limitations and shortcomings of providing virtual education at public expense. In New Jersey, we should learn those lessons the smart way -- by examining the experience of others rather than experimenting on our own students.

We also believe that the Legislature should go beyond the legislation and engage in an even deeper and more detailed examination of charter schools in the state. We propose the formation of a study commission to document the progress we have made and the obstacles we still face, and to recommend those changes that are necessary in order for New Jersey's

public charter schools to live up to their mission and purpose in the years to come.

We also propose a temporary moratorium on the approval of new charter schools until the study commission has completed its work and the Legislature has acted on its recommendations. Such a temporary pause in authorization would not eliminate public charter schools in New Jersey, nor affect those that are already operating or approved. It would, however, give us the opportunity to refocus the mission and strengthen our commitment to equity, access, and excellent educational outcomes for all students.

Thank you for this opportunity to testify. We look forward to more conversation and cooperation on these issues, and this much-needed attention from our elected leaders.

SENATOR RUIZ: Thank you.

Any questions or comments?

SENATOR DOHERTY: May I ask--

SENATOR RUIZ: Yes, Senator Doherty

SENATOR DOHERTY: Yes, I would just like to note-- I'm a little concerned about your language about political appointees. It says that the Governor has three that he can appoint, and then there's Senate President, one appointment; General Assembly Speaker, one appointment; Senate Minority Leader, one appointment, and General Assembly Minority Leader, one appointment. I mean, they don't-- They're going to pick somebody, so I don't-- Your organization has a political PAC and you give probably the most contributions of any PAC in the State. So what are we talking about?

MR. STEINHAEUER: Well, I think--

SENATOR DOHERTY: We're talking about the Governor gets three appointments, and then people in the Senate and the Assembly get some appointments. I just think that that's interesting language that you used. They're not political appointees, they're actually appointed by elected officials. So I disagree with the language you're using.

MR. STEINHAUER: Okay.

SENATOR RUIZ: Thank you. I think at least what I came away with from this is that we can keep the process that's in there. But if, in fact, we go with an independent authorizer, that perhaps we can define some of those -- even though they will still be appointed by individuals, oftentimes we do do that for commissions -- a parent, a teacher.

Thank you.

Jennifer Keyes-Maloney, Assistant Director of Government Relations,  
New Jersey Principals and Supervisors Association.

**JENNIFER KEYES - MALONEY:** Good morning. Jennifer Keyes-Maloney from New Jersey Principals and Supervisors Association. Thank you for the opportunity to speak today.

Unfortunately, our Executive Director was unable to make it because we actually have our fall conference going on -- hence, the reason you get me.

First and foremost, we would like to actually applaud Senator Ruiz for her thoughtful and deliberative approach to the overhaul of the 1995 Charter Act. We've learned much in the ensuing period, and this legislation seeks to improve on that framework. We believe their work is critical, and ensuring this deliberative approach guarantees that we have the best possible product that comes out as we move forward.

We were extraordinarily happy to see the legislation's commitment to ensuring that profit motives do not drive the provision of educational services in the State of New Jersey. I know that's strong language, but the reality is that ensuring that, in essence, every dollar that comes into a school is used for educational services is essential, and as such we use that language.

We also were very happy to see that the bill creates a very comprehensive review of applicants based on nationally recognized principles and standards for charter school authorizers. I believe that's essential -- by charter school authorizers. In addition, the attempts to address any potential conflicts of interest, both between the authorizer and the actual charters that it authorizes, as well as any attempts to eliminate potential conflicts via the adoption of a nepotism policy, we believe are steps in the right direction.

Now I turn to some specific themes within the legislation.

With regard to the Charter Authorizing Board, we are very happy to see that there are qualifications within the legislation itself in terms of ensuring that there is expertise on the part of the appointees. We believe that, additionally, ensuring that this office exists underneath the State Board of Education is essential to ensure that they can address regulatory changes as they evolve over time. Ensuring that linkage between the State Board, as the policy maker, and the charter authorizer board is essential to success, going forward, with the portfolio that the charter authorizer board manages.

We also believe that there is an opportunity here to share resources between the two authorizers that are created. I'm going to call the Charter

Authorizing Board the *CAB*, and the traditional Office of Charter Schools in the Department of Education just the *Commissioner*. In essence, ensuring that training dollars are shared between the two environments we believe is essential, and it exists within the spirit of this law. We believe that there may be a need to actually articulate that strongly, and we would encourage the sponsor to consider it.

Turning specifically to accountability measures within the bill itself: We applaud the legislation focus on comprehensive standards of accountability -- whether you're talking about the applications or you're talking about the monetary piece within the existing portfolio of charter schools. Those specifics strike a good balance between the legislative framework versus the regulatory details. And I think that's an important distinction to mark here. In essence, we're making sure that we're putting the framework in place, legislatively, and allowing the regulation to fill in the gaps where necessary and appropriate.

We also were happy to see some of the reporting requirements clearly articulated in here. It sets an expectation for both the charter schools as well as the authorizers in terms of public transparency.

We believe those factors that are included within the report are essential, whether you're talking about academic growth, or you're talking about college and career readiness standards. These are things that the public should have a sense of, in terms of a school's performance -- and it's consistent with what we do with the traditional public school environment.

We were a little concerned to see language in the bill that talks about the definitive and immediate acceptance of credit between the two environments if the child is withdrawn from a charter school and moves

into a traditional public school. In essence, when a child moves from another jurisdiction, typically there is a review of the transcript and portfolio to make sure that if there are gaps in terms of what they've received educationally, those gaps are filled in by the receiving district. And so we look forward to working with the sponsor in terms of language to address that more fully.

Turning to the aspect of meaningful public input, we believe that the legislation attempts to address some of these mechanisms by way of ensuring that the New Jersey School Board Association member is appointed to the actual Board. We believe that they provide exceptional expertise when it comes to the financial aspects, as well as the governance aspects that the charter schools should have in place. But we do remain concerned that we need to have meaningful public input in the community when a charter school is seeking to establish itself. Our biggest concern would be that the CAB or the Commissioner, in essence, would hold hearings in Trenton, and the reality is that if a school is established in Salem or up in Sussex -- that can be difficult, especially during the day. So our hope is that, in essence, as we move forward, that those hearings would be held at the local level to ensure local input.

And beyond that, we believe that the existing authority of a local board of education to weigh in on the application should not be removed -- in essence, that they should have a meaningful say as the local education policy maker. They should weigh in as well in terms of what the community believes is important.

Finally, I turn to two items that are not actually in the legislation, *in toto*, but we believe probably should be, and request the Senators' guidance

in terms of this. And that really focuses in on licensure and tenure -- specifically ensuring that the standards, regardless of the environment that a teaching staff member teaches in, remain consistent. Several years ago we made some changes in terms of particularly the alternate route for certification purposes for charter employees. We believe that that input in terms of the actual licensure requirements are so sacrosanct that they should not be breached. And so we would encourage the legislation to maybe go a little bit farther in terms of making sure that, in essence, that (indiscernible) between the two environments is maintained.

Beyond that, we also believe that the legislation should articulate at least a framework when it comes to tenure acquisition and dismissal. The reason I bring this up: In 2013 we made some changes to regulation around, really, tenure acquisition and dismissal. And it created intense flexibility at the local level, but without necessarily guidelines or guideposts for districts, or for charter schools as they evolve, in terms of what that process should look like. The only thing that articulates is that there's an elongated tenure acquisition period in a charter environment, not the specifics that districts should use in terms of dismissal criteria or support criteria. And we spent an awful lot of time, and energy, and effort toward ensuring excellence in terms of our teaching ranks and instructional leader ranks in the traditional public schools, through the Teach NJ Act and the regulation that evolved out of it. And so we believe that this should similarly inform the process when it comes to charter schools, and we encourage that we really kind of look at that comprehensively, and make some recommendations, if you will, regulatorally, going forward

And with that, I would be happy to answer any questions that you have.

SENATOR RUIZ: Any questions? (no response)

Thank you.

Next, Susan Cauldwell, Executive Director of Save Our Schools New Jersey Community Organizing.

**S U S A N C A U L D W E L L:** Thank you, Senator, and thank you for having this hearing today. I think there's general agreement that this law that's nearing 20 years old is in need of a big overhaul, and I thank you for convening the hearing and inviting us to testify.

I was going to make four points -- several of the points have been covered already by previous speakers, so I will just run through our impressions of those fairly quickly.

Regarding the establishment of a charter authorizing board -- we don't believe that the establishment of a board will increase the quality of new charters, and is likely a pave the way for waste and fraud. I'm not sure if you're aware, but there are many reports released this past year on charter school fraud and abuse, including one in May by the Center for Popular Democracy that identified more than \$100 million in public tax dollars that has been lost nationwide due to charter fraud. The report included very few instances of charter fraud and abuse in New Jersey; and in the instances that were noted, those schools were promptly closed by the Commissioner of Education. So we actually believe the current process works; we believe that the power should remain with the DOE and the Commissioner, and we recommend the same.

We also don't believe that a politically appointed charter authorizer would be as effective in either authorizing high-quality charter schools or closing down those that break the law. Save Our Schools looks quite deeply and closely at how other states operate their schools, and our neighbor, Pennsylvania -- if you Google *Pennsylvania* and *charter school fraud and waste*, you will see multiple instances of charter schools that have been accused of bad acts and have been allowed to continue operating. And Pennsylvania has multiple authorizer boards.

Massachusetts, which we typically compare ourselves to with regard to student achievement and other academic measures -- and is one of the highest quality academically performing states in the nation -- has just one charter school authorizer, and it's the state Board of Ed. And so we strongly recommend that the Commission be retained.

With regard to local control, we certainly appreciate the effort to increase local control; but we would like to see either a local vote, or the input of a school board in a community where the school board is elected, have a very significant say in whether a charter school is cited.

I'm not sure anyone touched on the idea of for-profit charters, but the old bill was very clear that charter schools would not be for-profit endeavors; your bill does the same. We suggest the language be strengthened significantly, because right now we are aware that there are three for-profit charter schools operating in the state. How those slipped in unnoticed is something that should be considered by this Committee.

Also, virtual charter schools which make a huge profit are not talked about at all in this bill, and I'm wondering if there's going to be a separate bill on this, or that can be included too.

And the biggest point I want to make is about charter schools and their populations, and how they do not mirror the school districts from which students come from. This past summer, Save Our Schools New Jersey received some foundation money to do a really deep -- take a deep look at charter school populations, student achievement; and we will be releasing the results of that study over the coming weeks. But I just wanted to make the point that across the state, charter schools enroll fewer students from very-low income families, fewer male students, and almost no English language learning students. And we hear, time and time again, that charter schools are public schools, and we believe that they should enroll as close to possible the same population from their sending districts. So I've pulled up a few examples: In Trenton, the free lunch population -- which is the poorest of the poor -- the public schools' population is 30 percentage points greater than the charter schools. In Hoboken, 46 percent of students qualified for free lunch, while only 7 percent of charter schools in Hoboken qualify for free lunch. Plainfield School District educates 7 times the limited English proficient students as the charter schools; and in Teaneck, 3 percent of the charter school students qualify for free lunch, versus 19 to 27 percent at the seven district Teaneck public schools.

Charter schools also educate many fewer students with special needs. Statewide, special needs students comprise 15.2 percent of the general population; in charter schools, that's down to 9.2 percent. And the special needs students in charter schools are much less costly -- 40 percent of traditional public school special education students are in the moderate-to-high cost category, and just 21 percent of charter schools fall into that category. You can see the classification rates: Camden has a 19 percent

classification rate; the charter schools in Camden have a 9 percent rate. Newark public schools have an 18 percent classification rate; Newark charter schools have a 9 percent classification rate.

We like that your bill, Senator Ruiz, requires demographic and attrition data to be collected, which is an important part in addressing segregation. But we have a couple of suggestions. We suggest that charter schools be required to reflect at least 90 percent of the aggregate free lunch, LEP, and special need percentages of their sending districts -- including high-cost special needs. We suggest using weighted lotteries to help charter schools fill those goals, and we would like the DOE to conduct the lottery process for all charter schools -- with one application deadline -- and to increase the transparency of the waiting list.

We believe funding charter schools should be done on the basis of students they actually educate. If charter schools demographics fall below 90 percent of the sending districts, so would the funding.

And finally, we would ask that enrollment data be collected at least three times a year to account for shifts in population after the October 2015 census.

So again, Senator Ruiz, thank you so, so sincerely for letting us speak today. I appreciate the opportunity.

SENATOR RUIZ: Thank you very much.

SENATOR ALLEN: May I?

SENATOR RUIZ: Senator Allen.

SENATOR ALLEN: When you talked about specific percentages in charters versus regulars-- Now, just the first one you said was Hoboken, I think, 40-some percent in the free lunch program versus 7 percent in

charters. Did charter schools turn away kids who were in the free lunch program, or was this simply a matter of who was selecting the charter school?

MS. CAULDWELL: I don't know the answer to that question. I don't know what the application process was; what the selection process-- Were students counseled out? That's the information that we just don't know right now, Senator. We don't have that information.

The data that we took was all based on data that's on the DOE website. That's how we did our analysis.

SENATOR ALLEN: Right. But so-- I mean, you're using the data to make a point, but we don't really know what the data shows. You might be making a very important point that we need to move on; I'm just concerned that it's being used and we don't really understand how we got to that point. And you're right -- we do need to know.

MS. CAULDWELL: Right.

SENATOR RUIZ: Thank you.

MS. CAULDWELL: Thank you.

SENATOR RUIZ: Next, I'll ask Michael Lilley, Executive Director, Better Education for Kids.

**MICHAEL LILLEY:** Am I on?

SENATOR RUIZ: Yes.

MR. LILLEY: Yes, I am.

Good morning, everybody. I realize that it is 11:45, so I will be brief.

My name is Mike Lilley; I am Executive Director of Better Education for Kids -- or B4K. On behalf of Better Education for Kids, I'd like to thank

the Education Committee -- and especially Senator Ruiz -- for the opportunity to testify today.

I'm just going to go over a few general points that I'd like to reiterate. First is, I just want to underscore a very important fact. And I think people lose sight of this when we have these discussions. New Jersey's charter schools are remarkably successful in educating New Jersey's kids -- particularly by helping minority kids in poverty close the achievement gap. Those are just facts, and the facts speak for themselves. You've heard about the Stanford study; and I just want to underscore one thing about that study. Newark is our largest and most developed charter sector, okay? The Stanford researchers found some of the largest learning gains that they had ever seen in studying all the charter schools, all around the country. Just think about this for a second: Newark charter school students gain an additional seven-and-a-half months in reading, and nine months in math per year -- per year; one year. I mean, that's almost like an additional year of learning. That's a remarkable number.

And I just want to add a quote from that study. The quote is, "Both black and Hispanic students in poverty, who are enrolled in charter schools, show significantly better performance in reading and math compared to their district school peers." So New Jersey's charter schools have shown that these kids can and do succeed in school.

Importantly, this success has closed the achievement gap. From 2010 to 2013, minority students at charter schools have reduced the gaps on the NJ ASK test by 30 percent in math and 14 percent in language arts literacy. We can all be proud of that, I think.

And parents know this; parents know this. There are 40,000 kids in our charter schools. There are 20,000 kids on waiting lists, right? Parents want their kids in these schools. So it's time to give those kids a chance too.

And that is why B4K applauds Senator Ruiz and S-2319. As everyone has amply said, the law is 20 years old and it should be updated. We support S-2319's creation of a second authorizer; it is best practices. I just want to give one factual point. In the recent past, when we only had one authorizer -- the NJ DOE -- charter school authorizing came to a six-year standstill, okay? From 2001 to 2007 there were virtually no new charter schools added. So if you have an Administration that has an agenda, or a Department of Education that's not as dedicated to it, you can see a dramatic fall off if you only have one authorizer. So that's why two authorizers makes sense.

We also support S-2319's right of first refusal for facilities. These schools have 20,000 kids on the waiting list; they need space. A lot of districts, as we know, have unused or underused school facilities. This is a commonsense way to match charter school demands with existing supply.

Finally, we support the creation -- S-2319's creation of a formal mechanism to share best practices. We agree with Wendell Steinhauer that it should go both ways. There are excellent district schools that have something to contribute, but charter schools have something to contribute too. And again, as the Senator knows, that's one of the main reasons charters were created -- to look into the best way to try to educate kids. So we applaud that.

We would just ask that the Senate and the Assembly consider a few other ways legislation can support the charter sector. I just want to make a few key points.

First of all, charter schools are public schools. Charter school students are public school students. And yet, on average, charter school students get about 70 percent, as was said before, per pupil, of what the sending districts get. And because of the funding formula, there are places like Jersey City where it's closer to 50 percent. We urge the Senate to consider the unfairness to the kids on that.

Secondly, as has been stated, charters don't receive any facilities aid; they spend about 15 percent of their budgets, on average, on their facilities. Surely we can agree that those funds would be better spent on educational programs and instruction. And again, it's the kids who will benefit.

And finally, I just want to make a very general point, and that is that one of the basic premises of charter schools is that you would have a less onerous regulatory burden in exchange for accountability. Unlike their district counterparts, charters can be and are shut down for poor performance. Charter school contracts set out performance standards that must be met. As long as charters meet those standards, they should be granted latitude to innovate and find the best way to teach their kids. So we would encourage that the Legislature look at it in that way.

And just one very last thing. To Senator Allen, I know you asked about how children are admitted to charter schools. They use a lottery system. So it's a system where they go out in the communities, they inform people that a charter school is going to exist, and they hold a lottery for all the people who apply. Excuse me, they will accept up until they're filled

up. When they're filled up, then they have a lottery. But it's just basically applications by people who chose to want to go to the charter. So they do not game it.

As far as some of the disparities that were discussed, I think the charter schools would answer that you do have a lower percentage of special needs kids. I think the charters do a good job of transitioning kids off of IEPs, so over time you are seeing lower numbers. I think the other thing is that there is a recognition that outreach efforts could be improved, and we know that in Newark, for example, all the charter schools have agreed to improve their outreach efforts. I was just up at SPARK Academy in Newark, and their special needs kids' numbers are identical to the District now. So I think there's a recognition of that, and I think it's appropriately amplified and they are addressing that.

And that's really it, Senator. Thank you.

SENATOR RUIZ: Thank you.

Any questions? (no response)

Thank you.

Next, I'll ask Sharon Seyler, New Jersey School Boards Association.

**S H A R O N   S E Y L E R:** Members of the Committee, thank you for inviting me to speak on senate Bill 2319 this morning.

I just wanted to open the discussion by stating that of the 87 operating charter schools in New Jersey, the majority of them have voluntarily become affiliate members of New Jersey School Boards Association.

One of the primary reasons for this? Our training. We provide the necessary training for boards of trustees, just as we do for board members.

In 2012, NJSBA presented a paper on charter schools to our delegate assembly, and the report stated that our positions on charter schools have been driven by two beliefs: first, to provide educational opportunities for all students; and second, to provide community governance of public education through local boards of education.

The mission of a charter school is to provide alternatives to the traditional school environment. We believe that the intent of S-2319 will achieve this goal by making a variety of changes to the State's charter school program. Including the Executive Director of NJSBA as part of the nine-member review board will give local boards of education a voice, within the school district and community, in discussions of whether or not a charter school should be approved.

And we just want to emphasize that NJSBA supports the enhanced accountability requirements included in the proposed legislation, and the involvement of the New Jersey State Board of Education in promulgating regulations for the monitoring and oversight of charters.

We support the efforts to make transparent the rules applied to charters and regular public schools.

And just to clarify, a proposed charter school may apply for authorization with either the Commissioner of Education or the review board, and enter into a contract with either entity once it's approved. Regardless of that authorizer, a performance framework with specific targets must be followed. It's our understanding that the New Jersey Department of Education will be responsible for monitoring each charter's compliance with these performance targets, and NJSBA is in full agreement with this process.

We feel this bill represents the first good step in the decision-making process to address the need for creative alternatives to traditional public schools. Ultimately, we hope to find alternative funding resources that enhance the charter schools without diminishing the traditional public schools.

And that's basically all I have to say. Thank you.

SENATOR RUIZ: Thank you very much.

Any questions? (no response)

And last, but not least, we'll hear from Lynne Strickland, Garden State Coalition of Schools, Executive Director.

And as she comes up, I just want to thank everybody for their patience, and for keeping to the time. This has been kind of a new goal for the Committee. (laughter)

**LYNNE STRICKLAND:** Nonetheless, it's still good morning -- so, good morning.

SENATOR RUIZ: Good morning.

MS. STRICKLAND: Thank you very much for inviting us and including us in this important discussion.

Like so many have said before us, we welcome the additional measures of transparency and accountability that are brought forth in the bill, and for the discussion of them in public. Best practice sharing is something that we think is definitely a plus, among other things -- things such as including in admission decisions, through -- when the numbers of children exceed the open spaces, through a certified public lottery -- good idea.

We also note, however, things that we would like to see either in the bill or definitely brought up in a separate bill, but -- so related -- that we want to make mention of and take the opportunity. Two issues are really a rub in communities across New Jersey, and will require resolution before charter schools can be comfortably integrated alongside traditional schools: those are school funding issues and local input.

And just to help kind of bring some points out as to the complexities of it, I'm going to talk a little bit about one of our member districts in Middlesex County, and the school funding that stands out and is such a rub in the community.

Charter schools must be supported by the same per-pupil cost as the local district is; it's \$12,175 in that district this year. And while the district is considered to be the charter school's district of residence, only 52 percent of the students attending the charter school this year are from that district.

As the district of residence, it must annually put aside the amount of funding that a charter may require for the charter's projected enrollment in the next school year -- tying up that funding until the enrollment is actually counted in the fall, October 2015, counts, and then the money may start to roll back to the district in the ensuing year.

In the first year of this school district's charter school in its district, the charter projected enrollment to be 108 students, requiring approximately \$1.2 million to be encumbered by the district. The actual enrollment turned out to be 36. In this current year -- 36 must be their magic number -- 36 new students were projected to enroll, and yet only 10 students additionally enrolled. This hold on the funds within the district's budget frustrates lots of folks in the community, as you can imagine, since

some of the monies could have been spent on needs within the district, and/or property taxes may have not had to be raised -- were raised to meet needs that may not have arisen in either the traditional or the charter. The district currently funds its school budget around 90 percent from local property taxpayers.

And while it's been stated that there's a one-for-one cost per pupil no matter what the setting is in which the pupil is situated, this theory doesn't often hold to fact. It is acknowledged that the larger a system and the larger the spread of students among the grades, there may not be an impact on the number of teachers or classrooms required with the ebb and flow of students between traditional and charter schools. In this district's case, they looked at what the fiscal impact on staff and space would be if the 160 charter student returned to the traditional school this year. The result -- none; no impact.

The lid of a 2 percent cap on budget growth places hardship on numbers of districts that have to reserve funds for projected enrollment growth. In the case of this Middlesex District referenced above, \$2 million had to be reserved for the current school year for the local charter school. Those dollars represented almost its entire cap. So again, it's just-- I'm underscoring the point about the complexities and the antagonism that is kind of a set up for the folks in the local community -- competing needs.

SENATOR RUIZ: You may not be prepared to answer this question, but do you think it would make more sense for the Department to fund the schools directly, instead of having a pass-through?

MS. STRICKLAND: You know, that has been out there in discussion, and I think that it's something we would like to see discussed.

I'm not pro, necessarily, or con. But it does need to be fleshed out. And that would be one alternative to take a look at.

Just local input: Because of the competing policy tugs, and the funding needs of charters and traditional schools within districts, communities are so often pitted against one another in the same towns, the same cities. Early in the process we would like to see a reasonable and calm arena for open information exchanges of ideas and concerns to be provided in this stage of the approval process. It's really key that the local community feels they have a viable input into this process and decision making. And I think it needs to be heard at the local level, as well, so you could debate whether having the second authorizer include the school boards. That is a plus, in that regard, but also the local communities feel they have an outlet and some well-studied ideas put forth. We feel being heard and responded to realistically and openly is constructive, and can allow for course correction of some items that will be brought up as well.

So we look forward to working with you in the future; and appreciate your time and effort on the bill, and wish it success as things move along. It's time.

SENATOR RUIZ: Thank you.

Any questions or comments? (no response)

Again, I just want to thank my colleagues on the Committee for taking the time, and for all of the stakeholders for doing their due diligence. This is a work in progress; as you've seen in the past, I do take my time to deliberate and work with each of the stakeholders so that we can better the process. It's nearly two decades since the implementation of the bill; it's time for us to roll up our sleeves and strategically create a better bill that

will empower our children and families, and have true responsibility of everyone who gets impacted in this process.

So I want to thank you, and that concludes today's meeting.

**(MEETING CONCLUDED)**