

# **Interdistrict Public School Choice Program**



## **SECOND ANNUAL REPORT**

**submitted to**

**New Jersey State Legislature  
and  
State Board of Education**

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June 2002**

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# **INTERDISTRICT PUBLIC SCHOOL CHOICE SECOND ANNUAL REPORT**

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# **INTERDISTRICT PUBLIC SCHOOL CHOICE SECOND ANNUAL REPORT**

## **EXECUTIVE SUMMARY**

This is the second year of a small five-year pilot created to study how interdistrict public school choice can fit into the system of public school education in New Jersey, while providing new opportunities for New Jersey's students. Implementation began in the 2000-2001 school year, and the pilot will automatically expire in June 2005 unless reauthorized by the Legislature. This report is the second annual report and, as required by law, must include recommendations on the continuation of the program. The Joint Committee on the Public Schools will review this report and use it along with a required study of the first two years of the program to provide recommendations to the full Legislature on the future of the program.

Of the 21 choice districts allowed by law, there are 13 approved, 10 of which opened their doors to choice students in the 2000-2001 school year, one in the 2001-2002 school year and two that will open in the 2002-2003 school year. The current 13 choice districts represent a broad spectrum of district types, thereby providing for a good test of the choice concept. One additional choice district could be approved to accept choice students in the 2003-2004 school year.

Choice student enrollment has increased from 94 in the 2000-2001 school year to 489 in the 2002-2003 school year. Some choice districts had to hold lotteries in the latest application process and some choice districts have filled all of their available seats. This is an indication that the program is a success and is fulfilling the needs of many parents and students. Seventy-four percent of the currently enrolled choice students are caucasian, 13 percent are black, and 13 percent are hispanic. There are an equal number of male and female choice students. Forty-two percent of choice students are enrolled in high school, 22 percent in middle school, and 36 percent in elementary school. The two-cycle student application process for the 2002-2003 school year was successful in enrolling 206 new choice students.

The school choice program has been effective in enabling choice districts to create or expand educational programs, lower class size, hire additional teachers and other staff, provide additional professional development for teachers, provide property tax relief, purchase technology, and diversify the student population. The school choice program has also been effective in providing additional educational opportunities and choices to New Jersey's students and parents on a limited basis. The design of the school choice program has been effective in eliminating or reducing any possible negative impact on participating sending districts.

These findings point to the success of New Jersey's school choice program and suggest that it should be continued and expanded. The current law should be reauthorized with some changes. Following are specific recommendations:

1. Siblings of enrolled choice students should be allowed to enroll in the kindergarten of the choice district.
2. In the sending district's enrollment restriction percentage calculation, any percentage of a student should equal one student.
3. Choice districts should not be eligible to enroll students on a tuition basis once the district is approved by the Commissioner to operate as a choice district rather than upon participation in the school choice program.

The interdistrict public school choice program has been effective in: Providing new choice opportunities on a limited basis, Improving the quality of education in the choice districts, and Reducing negative impact in the sending districts. The program should be continued and expanded.

# **INTERDISTRICT PUBLIC SCHOOL CHOICE SECOND ANNUAL REPORT**

## **PREFACE**

After only two years, the Interdistrict Public School Choice Program has had a far-reaching impact on the lives of those participating including choice students and parents, choice district resident students and staff, and community members. Overall, the program has been successful and there is increasing interest statewide to expand the program to include more school districts and to provide more educational opportunities to New Jersey's students. While the school choice program has given some students and parents a public school choice, there are many more that would like to have a similar choice.

The benefits of the school choice program have proven to be many. For parents and students in some communities, this represented the first time opportunity to consider a public educational setting different from their local school district. Some choice district communities were provided with property tax relief. Some choice district resident students were able to attend new programs, and some saw their class size decrease. Some choice district staffs' teaching loads were lightened. Choice districts improved their programs, hired teachers, reduced their tax rates, and diversified their districts. Overcrowding was lessened in some sending districts.

Choice districts report they are pleased with what they have been able to accomplish because of their participation in this program. They have documented their ability to improve the quality of their educational programs through the reduction of class size and the hiring of additional teachers. Although the program is still new, choice districts are now attracting new choice students at a rate double from where they started. Some choice districts have filled all of their available seats. For some choice districts, little advertising is needed to recruit students because the success of the program is widely proclaimed throughout the surrounding communities.

The school choice program is small because it was intentionally designed as a small pilot program to help the Legislature and the Department of Education (department) determine whether interdistrict public school choice would work in New Jersey's system of public education. Its design as a small pilot project has enabled the department to test the concept. These first two years of implementation show that interdistrict public school choice not only works well in the public school system, but that it also has increased opportunities for students, improved the quality of education in choice districts, and has a positive impact on the participating sending districts. Both schools and students have benefited from the program. The school choice program should be expanded beyond the small pilot status.

# **INTERDISTRICT PUBLIC SCHOOL CHOICE SECOND ANNUAL REPORT**

## **A. INTRODUCTION**

The Interdistrict Public School Choice Program Act of 1999, at *N.J.S.A.* 18A:36B-11 requires the Commissioner of Education to report annually on the effectiveness of the interdistrict public school choice program (school choice program). This report is the second annual report, which must include recommendations on the continuation of the program. The first annual report, posted on the department's Web site at [www.state.nj.us/education](http://www.state.nj.us/education), provided information on the first year of implementation. This second annual report provides information on the second year of implementation and recommendations on continuation and modification of the program. This report differs from the first in that its general focus is geared towards recommendations.

In preparing this report, the department relied on data collected from choice districts and sending districts. Data were not always complete as some sending districts did not provide information and choice districts could only provide the information regarding student applicants of which they had knowledge. The department also used information obtained at the quarterly choice districts' meetings.

Unlike the first annual report, this second one contains a section providing a detailed description of the school choice program, which replaced the history section. Information on sending districts is located in the impact section. A new section for recommendations replaces the implementation section.

## **B. PROGRAM DESCRIPTION**

The Interdistrict Public School Choice Program Act of 1999, *N.J.S.A.* 18A:36B-1 *et seq* established in New Jersey for the first time a program that provides students with a public school choice that is funded by the state. Prior to the establishment of this law, the only students who had a public school choice were those who could afford to either move to or pay tuition to the public school district of their choice. The law created a very small, controlled five-year pilot test of a public school choice that allows students to cross district lines at the state's expense. Provisions in the law limit the number of choice districts and the number of students that can participate in the program. There are also provisions in the law that control the impact of the program, ensure that student population diversity is maintained in all participating districts, and provide for an evaluation of the program. The current law is set to expire in June 2005.

The Commissioner is authorized to approve a total of 21 choice districts with no more than one per county during the five years of the pilot program. Choice districts are selected through a competitive application process based on criteria established in statute and regulation. To become a choice district, the district must have seats available for out-of-district students and must complete an application provided by the department. Charter schools and county vocational schools are not eligible to participate in the choice

program since those schools are already providing students with a choice. Districts in a sending receiving relationship are eligible to participate in the program unless otherwise legally prohibited.

Choice districts are the only districts authorized to accept out-of-district students at the state's expense. A choice district may not enroll parent-paid tuition students while participating in the public school choice program. However, previously enrolled parent-paid tuition students are entitled to remain enrolled in the choice district as choice students.

To be eligible to enroll in a choice district, a student must be enrolled in grades K-9 in a public school in the district of residence for one full year immediately preceding enrollment in the choice district. A choice district may make seats available at any grade level from 1-10. Students can apply to choice districts for enrollment in the following school year during a two-cycle application process that occurs in both the fall and the spring. A choice district cannot discriminate in admissions policies, and if there are more applicants than there are seats available, the choice district must hold a lottery to select choice students. Choice districts can give preference to siblings of enrolled students.

Choice districts may limit admissions to a particular grade level or to areas of concentration in the district, such as mathematics, science, or the arts. A choice district may establish reasonable criteria to select a prospective student such as, the student's interest in the program (this is usually applied only in choice districts with specialized programs), or any criteria for admission to a program that a choice district applies to its resident students. A choice district may reject the application of a student who has been classified as eligible for special education services if that student's IEP could not be implemented in the district, or if enrollment of that student would require the district to fundamentally alter the nature of its educational program, or would create an undue financial or administrative burden on the district.

The choice district is responsible for transportation of choice students who reside more than two miles in grades K through eight and more than two and one half miles in grades nine through 12 and who reside 20 miles or less from the choice district's school. A choice district is authorized to provide aid in lieu of transportation. All choice districts receive transportation aid for each enrolled choice student eligible for transportation services. Parents are responsible for transportation beyond 20 miles. Choice districts must create and implement a regionwide public information program and must establish a parent information center to assist parents during the student application process.

Controls have been built into the school choice program to ensure a minimal impact on sending districts. A sending district is a district whose resident students seek to participate in the school choice program by applying to a choice district. One of the main controls is the sending district's right to adopt a resolution to limit its students' participation in the school choice program. A sending district may adopt a resolution to limit the number of its students participating in the school choice program to a minimum of two percent per grade per year and/or seven percent of the total student body, or to a maximum of 10 percent per grade per year and/or 15 percent of the total student body. If a sending district adopts a resolution establishing enrollment restriction percentages



greater than the minimum, then the Commissioner must approve the resolution. A sending district must also hold a lottery if the number of students applying to choice districts exceeds the enrollment restriction percentages.

The funding mechanism for the school choice program has worked well for the past two years and provides a solid foundation upon which to build the future of the program. It was designed to benefit both choice and sending districts. Choice districts receive School Choice Aid and sending districts receive Impact Aid. School Choice Aid has enabled choice districts to do many innovative things in their districts. Impact Aid has helped to ensure that the school choice program has a minimal impact on sending districts.

All choice districts receive a new categorical aid called School Choice Aid for each enrolled choice student, whether or not that district receives core curriculum standards aid. School Choice Aid is current year funded (for the first application cycle choice students) and is not included in the calculation for the spending growth limitation. Choice districts in district factor groups A or B receive School Choice Aid at a rate equal to the weighted per-pupil maximum T&E amount. All other choice districts receive school choice aid at a rate equal to the weighted per-pupil T&E amount. Choice districts also receive all associated categorical aids such as Transportation or Special Education Aid. School Choice Aid has been frozen at the 2001-2002 per pupil levels as follows:

<b>SCHOOL CHOICE AID</b>		
<b>School Level</b>	<b>A and B Districts</b>	<b>All Other Districts</b>
Elementary 1-5	\$8,309	\$7,913
Middle School 6-8	\$8,605	\$8,195
High School 9-12	\$9,221	\$8,782

Sending districts receive Impact Aid for each of their resident students enrolled in a choice district. Impact Aid was designed to assist sending districts through a phase-out of aid that they would have otherwise received for their resident students that enroll in choice districts. For each resident student enrolled in a choice district, sending districts receive 75 percent of Core Curriculum Standards Aid in the first year, 50 percent in the second year, 25 percent in the third year, and 0 percent in year four.

One of the unique aspects of New Jersey's school choice program is the statutory requirement for evaluation of the program. [see *N.J.S.A.* 18A:36B-11] The Joint Committee on the Public Schools is required to commission an independent study of the operation of the first two years of the school choice program, which are the 2000-2001 and the 2001-2002 school years. Prior to undertaking the study, the Joint Committee is required to hold a public hearing to solicit public comments on all features of the study. The Commissioner is also required to issue annual reports on the effectiveness of the program that are based on the annual and interim reports that the choice districts are required to provide to the department. Based on the Commissioner's annual reports and the study, the Joint Committee is required to issue a report to the Legislature by January 2003 with recommendations on whether the program should be continued as is or be modified.

## **C. CHOICE DISTRICTS**

The first choice district application was disseminated in September 1999 and 13 districts submitted applications. On November 29, 1999, the Commissioner approved the first 10 choice districts. Those inaugural choice districts opened their doors to choice students in the 2000-2001 school year. The second choice district application was disseminated in early 2000, and five districts submitted applications. Three of those districts later withdrew their applications, and the two remaining districts were in Warren County. On July 14, 2000, the Commissioner approved one additional district that had choice students attending for the first time in the 2001-2002 school year. These first 11 choice districts are the districts that are subject to the study to be commissioned by the Joint Committee on the Public Schools.

The third choice district application was disseminated in early 2001, and six districts submitted applications. Two of those districts later withdrew their applications and three of the remaining districts were in Gloucester County. On July 10, 2001 the Commissioner approved two additional districts that will have choice students enrolled for the first time in the 2002-2003 school year.

Districts in the following eight counties are eligible to apply to become choice districts: Cape May, Essex, Mercer, Middlesex, Ocean, Passaic, Somerset, and Sussex. The department has received one application from a district in Ocean County. If approved, the Commissioner will announce the new choice district on or before July 30, 2002. That district would open its doors to choice students beginning in the 2003-2004 school year.

The current 13 choice districts represent a broad spectrum of district types and District Factor Groups (DFGs). This has proven useful to this pilot test of interdistrict public school choice. As the choice districts table on page 8 shows, there is one choice district in DFG A, four in DFG B, two in DFG CD, four in DFG DE, and two in DFG FG. The table also shows that there are five K-12 districts, one PreK-12 district, two PreK-8 districts, two K-8 districts, two K-6 districts, and one 9-12 district. Choice districts have made seats available to choice students in grades one through 10. There are more seats available at the high school level because both Englewood and Salem have created new programs for high school students. Also, the five K-12 districts have made more seats available at the high school level.

Following is a list of the 13 approved choice districts with some basic information:

CHOICE DISTRICTS						
County	Choice District	District Type	DFG	Average Student Enrollment	01-02 Choice Students	Approved to Enroll Choice Students
Atlantic County	Folsom	PreK-8	CD	272	42	2000-2001
Bergen County	Englewood City	K-12	DE	734	0	2000-2001
Burlington County	Washington Township	K-8	B	117	7	2000-2001
Camden County	Brooklawn	PreK-8	B	235	N/A	2002-2003
Cumberland County	Cumberland Regional	9-12	B	1,169	31	2000-2001
Gloucester County	South Harrison Township	K-6	DE	236	N/A	2002-2003
Hudson County	Hoboken	K-12	B	2,625	17	2000-2001
Hunterdon County	Bloomsbury	K-8	DE	130	28	2000-2001
Monmouth County	Upper Freehold Regional	K-12	FG	990	28	2000-2001
Morris County	Mine Hill Township	K-6	FG	420	46	2000-2001
Salem County	Salem	K-12	A	878	0	2000-2001
Union County	Kenilworth	K-12	CD	1,196	68	2000-2001
Warren County	Belvidere	PreK-12	DE	945	16	2001-2002

While the Commissioner has the authority to approve 21 choice districts with one per county, the department does not expect to establish a choice district in each of the 21 counties. During implementation of the first two years of the school choice program, it has become apparent that some counties will not have even one school district that is eligible for choice status. There are some counties in which every school district is experiencing increased student enrollment. These districts have no room for out-of-district students and thus are ineligible to become choice districts. There were also counties where more than one district submitted an application to become a choice district such as Warren and Gloucester. The department has also received inquiries from superintendents interested in the school choice program only to find that their county

already has a choice district. Because of overcrowding in some counties and the statutory limitation of 21 choice districts with no more than one per county [see *N.J.S.A.* 18A:36B-3], it is anticipated that there will be fewer than 21 districts approved as choice districts during the five-year pilot, thus further limiting the pilot's size.

The past two years have shown that choice district status is beneficial for very specific districts and that not all districts will pursue choice district status. Districts interested in becoming choice districts usually share some of the following characteristics:

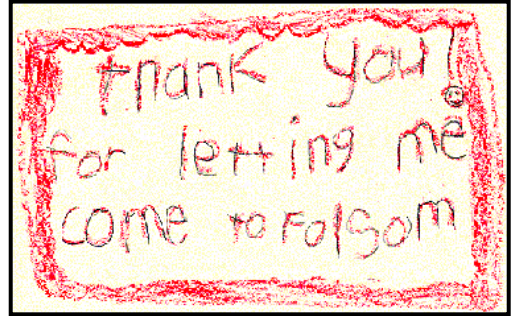
- 1) Declining or low enrollment, choice districts must have available seats for out-of-district students;
- 2) No growth potential, some of the choice districts are in the Pinelands where development is restricted and some are completely surrounded by other districts, thus limiting development potential;
- 3) Smaller districts facing financial challenges, some of the choice districts had to raise taxes every year. One choice district faced a 25-cent tax hike that was reduced to 5 cents in its first year of choice district status;
- 4) Districts seeking to increase diversity, some of the choice districts sought choice district status so that they could add more diversity to their student body; and
- 5) Districts seeking to implement innovative programs, some of the choice districts used choice district status as a means to develop programs new or improve current innovative programs such as magnets schools.

Englewood and Salem are choice districts that have seen choice district status as an opportunity to develop new programs that would help the districts to retain resident students and to attract a more diverse student body. Both districts have faced challenges in recruiting choice students and have no choice students enrolled in the 2001-2002 school year. One reason is that both districts are implementing new innovative programs that were introduced in the districts for the first time in the 2000-2001 school year. Salem has established a new Pathways program and Englewood is in the process of establishing the Academies @ Englewood. Another reason is that both districts have had to overcome issues unrelated to school choice in order to attract new students. Englewood has been faced with the challenge of correcting segregated enrollment with the accompanying problems of community resistance to the process. Salem City has faced the challenges presented by changing racial and socio-economic demographics over a prolonged period of time. Both districts have made strides in overcoming these challenges. For the 2002-2003 school year, Englewood expects to enroll 54 choice students, and Salem has retained more resident students and will enroll its first two choice students.

The school choice program has proven to be beneficial for choice districts, their resident students and parents, their teachers, and their community. There is a variety of benefits such as creating or improving educational programs, hiring teachers, reducing class size, providing property tax relief. All choice district superintendents agree that the program should be continued with some changes that will be discussed in the recommendation section.

## **D. CHOICE STUDENTS**

Choice students have been attending choice districts for the 2000-2001 and the 2001-2002 school years. As the poster demonstrates, choice students are very happy in their new schools. This poster was drawn by a first grade Folsom choice student for Back-to-School Day with the Legislature. These are students who would have never had the opportunity to select a different public school without the school choice program. In some cases, choice students move from overcrowded districts to smaller districts where they receive extra attention. In some cases, parents send their children to a choice district because they had attended the district as children, but do not currently live in the district. Parents of these choice students are enthusiastic supporters of the school choice program and have become strong advocates for the program in their communities. As noted earlier, these parents have assisted in the recruitment of new choice students.



Although they were uncertain at first, choice district staff report how pleased they are to have opened their doors to out-of-district students. Choice students have been a welcome addition in the choice district classrooms. Most choice district superintendents agree that choice students fit right into their districts. For the most part, the composition of choice students mirrors the composition of the resident student body.

<b>Choice Students</b>				
<b>District</b>	<b>2000-2001</b>	<b>2001-2002</b>	<b>2002-2003</b>	<b>Total</b>
Folsom	17	25	43	<b>85</b>
Washington Township	5	2	1	<b>8</b>
Brooklawn	N/A	N/A	22	<b>22</b>
Cumberland Regional	9	22	34	<b>65</b>
South Harrison Township	N/A	N/A	5	<b>5</b>
Hoboken	3	14	25	<b>42</b>
Bloomsbury	13	15	8	<b>36</b>
Upper Freehold	11	17	17	<b>45</b>
Mine Hill	16	30	13	<b>59</b>
Kenilworth	20	48	23	<b>91</b>
Belvidere	N/A	16	13	<b>29</b>
Salem	0	0	2	<b>2</b>
<b>Total</b>	<b>94</b>	<b>189</b>	<b>206</b>	<b>489</b>

The number of choice students participating in the school choice program has grown substantially from 94 in the first year to 489 in year three. As the choice student table indicates, there were 94 choice students enrolled in the first year of the school choice program, 189 in the second year and 206 anticipated in the third year, for a total of 489.

The number of participating students doubled in the second year from 94 to 189. This number leveled out from the second to the third year as 189 students enrolled in year two and 206 enrolled in year three. In part, this is because some choice districts have been filling up all of their available seats.

Please note that complete information on Englewood's school choice program, the Academies@ Englewood, is unavailable at this time. While the department is aware that Englewood is expecting to enroll approximately 54 choice students in the school choice program, that number needs to be finalized. Englewood is a choice district that has worked for over 20 years to achieve racial balance in its public schools. Englewood became a choice district to help in these efforts. Englewood recently refocused its school choice program and began implementation of the Academies @ Englewood. Thus, Englewood's timeline for their choice student application process was different from the other choice districts and the student numbers are still not finalized.

The increase in the total number of choice students is indicative of the success that the school choice program has had in increasing choice opportunities for New Jersey's students in the communities surrounding choice districts. The increase in student enrollment can also be attributed to the student recruitment efforts by the choice districts.

## 1. Choice Student Characteristics

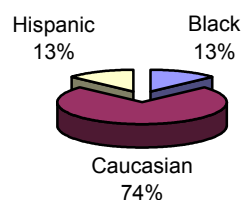
This second annual report provides demographic information regarding the choice students in attendance in choice districts for the 2001-2002 school year only. Information is unavailable for the choice students that have indicated an intention to enroll for the 2002-2003 school year.

As the pie chart in figure 1 indicates, 50 percent of the current choice students are male and 50 percent are female. Figure 2 indicates that 74 percent of the current choice students are caucasian, 13 percent are black and 13 percent are hispanic. Figure 3 indicates that 42 percent of the current choice students attend high school, 22 percent attend middle school and 36 percent attend elementary school.

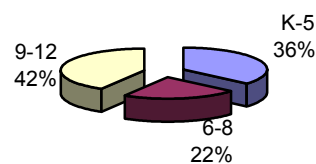
**Figure 1**  
**2001-2002 Choice Students**  
**by Gender**



**Figure 2**  
**2001-2002 Choice Students**  
**by Ethnicity**



**Figure 3**  
**2001-2002 Choice Students**  
**by Grade Level**



These choice student demographics are a reflection of parental decisions about where their children should go to school. The demographics are also a reflection of lotteries held in both sending districts and the choice districts during the student application process. This random choice student selection process ensures a non discriminatory selection of choice students. Choice districts are required to conduct a non-discriminatory student recruitment process. The demographics reflect the composition of the communities surrounding the choice districts.

Approximately 13 percent of the 489 choice students that will be attending choice districts in the 2002-2003 school year have been classified as in need of special education. This is similar to the state average. This figure does not take into consideration students who are classified by the choice district after they have attended the district's school choice program. The special education students have been accommodated successfully in the choice districts.

## 2. Application Process

The choice student application process has changed over the first two years of implementation of the school choice program. In the first year, the application process for students interested in enrolling in choice districts for the 2000-2001 school year was expedited over a five-week period. In the second year, the department established the two-cycle application process based on feedback and suggestions from choice districts. This process allowed more time for choice districts to recruit students. It also benefited parents and students who had additional time to make a choice. The latest two-cycle student application process was for students who will be entering choice districts in the 2002-2003 school year. Not including Englewood, the choice districts opened up a total of 531 seats for choice students and filled 206 of those seats, almost half.

Two-Cycle Choice Student Application for the 2002-2003 School Year					
Choice Districts	First Cycle		Second Cycle		Total Enrolled
	Applied	Enrolled	Applied	Enrolled	
Folsom	26	22	38	21	43
Washington Township	1	1	0	0	1
Brooklawn	19	7	20	15	22
Cumberland Regional	43	29	6	5	34
South Harrison	3	3	4	2	5
Hoboken	12	8	22	17	25
Bloomsbury	5	5	3	3	8
Upper Freehold	21	14	3	3	17
Mine Hill	10	9	4	4	13
Kenilworth	80	23	0	0	23
Belvidere	18	10	3	3	13
Salem	0	0	2	2	2
<b>Total</b>	<b>238</b>	<b>131</b>	<b>105</b>	<b>75</b>	<b>206</b>

As the choice student application table on page 12 indicates, more choice students enrolled in the first application cycle. However, in some choice districts like Brooklawn, Hoboken, and Salem more choice students enrolled in the second cycle. Kenilworth could not hold a second application cycle because the district filled all of its available seats in the first application cycle. That district held a lottery at every grade level to select choice students. Folsom also had to hold lotteries to select students, and Upper Freehold has filled nearly all of its open seats. Many of the students who applied and did not enroll were ineligible for the program, some lost the sending district lottery, some lost the choice district lottery, and some simply changed their minds.

### **E. IMPACT OF THE SCHOOL CHOICE PROGRAM**

After the first two years, it appears that the school choice program has had an overall positive impact in the participating districts. It has also had a positive impact on all of the participants including choice district resident students, parents and teachers, choice students and parents, and surrounding communities. In many cases, the school choice program has been positive for sending districts, especially those that are overcrowded. Because choice districts make a limited number of seats available and prospective choice students from all of the surrounding sending districts compete for those limited number of seats, sending districts have not experienced a significant reduction in their student bodies. Sending districts also receive Impact Aid and can limit the number of their resident students that participate in the program through adoption of a resolution. All of these factors have contributed to the creation of a program that provides students with choice opportunities that they never had before, and a program that has a minimal negative impact on the participating districts.

As noted in the first annual report, the school choice program has been effective in enabling choice districts to do the following: 1) create new educational programs or expand and improve currently existing ones; 2) lower class sizes; 3) hire additional teachers and staff; 4) provide additional professional development to teachers; 5) provide property tax relief; 6) purchase technology; and 7) diversify the student population. All of these improvements have benefited resident students, as well as choice students. Choice districts have been able to make these improvements at grade levels that were not opened up to choice students, thus benefiting entire districts.

The school choice program has also been effective in providing additional educational opportunities and choices to New Jersey's students and parents on a limited basis. Parents of choice students and the choice students themselves are enthusiastic about the opportunity to attend a school of their choice that is affordable. Many choice districts have so many student applicants, they have to hold lotteries and establish waiting lists. Some choice districts filled all of their available seats in the first student application cycle and did not hold a second cycle. Choice parents and students are spreading the word about their positive experience with school choice in the surrounding communities .

However, this positive impact on parents and students stemming from the creation of new choice opportunities is limited. The design of the school choice program as a small pilot



with limited student eligibility criteria has limited the number of New Jersey students and parents who are provided with an affordable educational choice. There are many parents and students who want to participate that are either ineligible or do not live near a choice district.

The design of the school choice program has been effective in eliminating or reducing any possible negative impacts on participating sending districts. A choice student's district of residence is referred to as a sending district. The program was designed with controls that allow sending districts to pass a resolution to limit the number of student participants and provide sending districts with state aid that is phased out over four years. This has ensured that any negative impact would be minimal.

Choice students come from 52 different sending districts. Based on information collected by the department, it appears that half of the current sending districts have not passed resolutions to limit the participation of their students. This suggests that some sending districts do not have a need to pass a resolution. This could mean that the district is either overcrowded or the loss of students is so minimal as to have no impact. For the sending districts that passed a resolution, the majority limited their student participation to two percent per grade per year. Some of these sending districts had to hold a lottery to determine which students could participate in the school choice program. A few sending districts that have passed resolutions have subsequently rescinded them.

After two years of implementing the school choice program, it has become apparent that the number of participating students will be limited whether or not a sending district passes a resolution. This is a result of the limited number of seats that choice districts make available to interested students. This is also a result of competition for those limited seats from interested students from various sending districts. Furthermore, most choice districts have limited their program to students who live within 20 miles of the choice district. These natural limitations have made it unnecessary, in many instances, for a sending district to pass a resolution limiting their student participants.

The provision in the school choice program requiring choice districts to provide transportation to choice students has been effective in promoting choice opportunities for students. In other states that have similar school choice programs, parents are required to provide transportation. This has the potential to limit the number of students who can participate in the program because many parents cannot afford transportation or simply do not have the capacity to provide transportation. The school choice program in New Jersey provides choice districts with transportation aid and allows districts to provide aid in lieu of transportation.

The transportation of choice students has not been a problem during the first two years of implementation of the school choice program. The majority of choice districts provide aid in lieu of transportation to parents of choice students. Choice districts with greater numbers of choice students are generally the districts that provide transportation to the choice students. Of the four choice districts that provide transportation, only one district has had to add a bus route to accommodate choice students. While transportation will become more of an issue as choice student enrollment increases, the impact is expected to level off once choice districts fill all of their available seats.

## **F. RECOMMENDATIONS**

Due to the success of New Jersey's pilot interdistrict public school choice program, it should be continued and expanded. This program was designed as a small pilot to test the concept of school choice and how it would work in New Jersey. The concept has been tested and the school choice program has proven to be not only effective in increasing educational opportunities for students, but also successful in improving the quality of education in the choice districts and in limiting a negative impact on the participating sending districts. The first two years of the program have shown that there are many natural limitations inherent in any interdistrict public school choice program, thus, many of the limitations in the legislation that were designed to create a small pilot are no longer needed. This program should be expanded to allow for more choice districts and to provide additional students with choice opportunities. Specific recommendations follow:

### **1. Siblings of enrolled choice students should be allowed to enroll in the kindergarten of the choice district.**

*N.J.S.A. 18A:36B-37(a)* provides that "To be eligible to participate in the program, a student shall be enrolled at the time of application in grades K through 9 in a school of the sending district and have attended school in the sending district for at least one full year immediately preceding enrollment in the choice district."

This language restricts student enrollment in a choice district to grades 1 through 10. Under this language, the following categories of students are ineligible to participate in the school choice program: 1) students who are enrolled on a tuition basis in a public school in a district other than the district of residence; 2) students who move during the school year; 3) students who do not fulfill the attendance requirements of the district of residence; 4) students who are home schooled; 5) students who attend parochial or private schools; 6) students who attend a public school in a district other than the district of residence pursuant to a contractual agreement or district policy that provides teachers with a choice to enroll their children in the district in which they work, and 7) kindergarten students.

Under the student eligibility requirements, interested students cannot apply to a choice district for enrollment in kindergarten. Thus, siblings of a choice student have to enroll in kindergarten in the district of residence in order to be eligible to apply to the choice district. This limitation results in the splitting up of siblings. This issue was raised in testimony before the Joint Committee on the Public Schools. Many choice district parents want their children to attend the same school. This has resulted in the withdrawal of many students from the choice student application process.

The choice student eligibility requirements should be revised to provide an exemption for siblings of enrolled choice students to allow them to apply for kindergarten.

**2. In the sending district's enrollment restriction percentage calculation, any percentage of a student should equal one student.**

*N.J.S.A.* 18A:36B-8(b) provides: “(1) Upon adoption of a resolution, the school board of a sending district may restrict enrollment of its students in a choice district to 2% of the number of students per grade level per year in the sending district, limited by any resolution adopted pursuant to paragraph (2) of this subsection.

(2) Upon adoption of a resolution, the school board of a sending district may restrict enrollment of its students in a choice district to 7% of the total number of students enrolled in the sending district.

(3) The school board of a sending district may adopt a resolution to exceed the enrollment restriction percentages of paragraphs (1) and (2) of this subsection to a maximum of 10% of the number of students per grade level per year limited by any resolution adopted pursuant to this paragraph and 15% of the total number of students enrolled in the sending district, provided that the resolution shall be subject to approval by the commissioner upon a determination that the resolution is in the best interest of the district's students and that it will not adversely affect the district's programs, services, operations, or fiscal conditions, and that the resolution will not adversely affect or limit the diversity of the remainder of the student population in the district who do not participate in the choice program.”

Sending districts are not consistent when they calculate their enrollment restriction percentages pursuant to *N.J.S.A.* 18A:36B-8(b). In some sending districts, the grade levels are so small that any calculation does not yield a whole student. These districts do not want to allow any students to participate in the school choice program. In other sending districts, the calculation yields whole students and then percentages of a student, for example 4.2 students. In one sending district, the percentage calculation yielded 1.5 students and there were three students in the lottery with two of those students twins. The district made a determination that only one student was eligible and one of the twins won the lottery. Eventually the sending district allowed the other twin to go to the choice district. This provision needs to be clarified.

*N.J.S.A.* 18A:36B-8(b) should be revised to stipulate that in the enrollment restriction percentage calculation, any percentage of a student equals one student.

**3. Choice districts should not be eligible to enroll students on a tuition basis once the district is approved by the Commissioner to operate as a choice district rather than upon participation in the school choice program.**

*N.J.S.A.* 18A:36B-8(d) provides that “A choice district shall not be eligible to enroll students on a tuition basis pursuant to *N.J.S.A.* 18A:36B-3 while participating in the public school choice program. Any student enrolled on a tuition basis prior to the establishment of the choice program shall be entitled to remain enrolled in the choice district as a choice student.”

A choice district is approved in June of any given year. The newly approved choice district begins a student application process in the following November and the first choice student attends the choice district more than one full school year after the district's

approval as a choice district. The choice district maintains its tuition program after its June approval and during the following school year until the first choice students attend the choice district the following September. During this planning year, tuition students do not become choice students and the choice district does not receive school choice aid for those students. The choice district begins participation in the school choice program when the first choice students attend the choice district and former tuition students remain in the district as choice students. It is at that time that the choice district receives school choice aid for both choice and former tuition students.

In the first two years of program implementation, parents discovered that the way to circumvent the student eligibility requirements was to enroll their child in a choice district on a parent-paid tuition basis in the first planning year after a district was approved as a choice district. The otherwise ineligible student would then become a choice student in the next school year. This can occur under this provision because choice district participation in the program does not begin until one year and three months after their approval as a choice district. Parochial school students, home schooled students, and students whose families had moved or knew they were going to move during the school year paid tuition to the choice district for that first year and then remained in the district the next year as choice students.

This provision should be modified so that a choice district would not be eligible to enroll students on a tuition basis once the district is approved by the Commissioner to operate as a choice district.

## **G. CONCLUSION**

The first two years of the school choice program have proven to be successful for all involved including students, parents, teachers, districts, and communities. The program has been effective in promoting educational choices for New Jersey's students. It has been effective in increasing the quality of education in the choice districts. It has been effective in ameliorating possible negative impacts in the sending districts.

Implementation of the program as a small pilot has given the department both the experience and knowledge regarding how interdistrict public school choice will work in New Jersey's school system. Interdistrict public school choice works and should be expanded so that more students are provided with the opportunities that choice provides and so that more districts can increase the quality of education in their districts by becoming choice districts.