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Office of the Governor
NEWS RELEASE

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RELEASE: November 2, 2000

Governor Christie Whitman today signed the following legislation:

A-1344, sponsored by Bagger (R-Middlesex/Morris/Somerset/Union) and Doria (D-Hudson) and Senators Littell (R-Sussex/Hunterdon/Morris) and Vitale (D-Middlesex), establishes the required funding level for charter school students and revises the procedure for evaluation of the charter school program. The bill incorporates recommendations made by the Governor in a conditional veto.

A-859, sponsored by Assembly Members Bagger (R-Middlesex/Morris/Somerset/Union) and Weingarten (R-Essex/Union) and Senators Vitale (D-Middlesex) and Sinagra (R-Middlesex), transfers certain DYFS property in Middlesex County to the New Jersey Natural Land Trust. The bill incorporates recommendations made by the Governor in a conditional veto.

A-1439, sponsored by Assembly Members Vandervalk (R-Bergen) and Cohen (D-Union) and Senators Sinagra (R-Middlesex) and Matheussen (R-Camden/Gloucester), establishes the Community Health Care Assets Protection Act. The bill incorporates recommendations made by the Governor in a conditional veto.

ASSEMBLY, No. 1344

STATE OF NEW JERSEY 209th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2000 SESSION

Sponsored by:

Assemblyman RICHARD H. BAGGER

District 22 (Middlesex, Morris, Somerset and Union)

Assemblyman JOSEPH V. DORIA, JR.

District 31 (Hudson)

Co-Sponsored by:

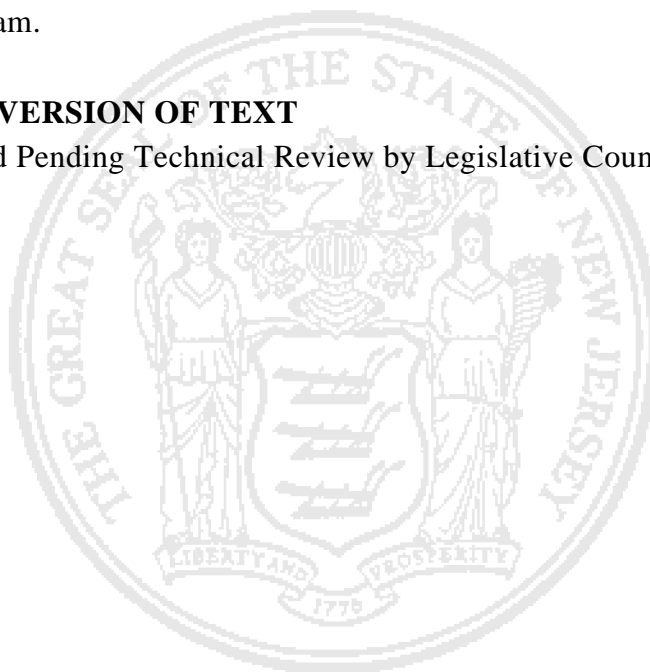
Assemblymen Zecker, Thompson, Azzolina, Assemblywomen Weinberg, Watson Coleman, Buono, Assemblymen Blee, LeFevre, Conaway and Conners

SYNOPSIS

Requires partial payment by the State of program budget per pupil amount for charter school students and revises procedure for evaluation of the charter school program.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



(Sponsorship Updated As Of: 3/28/2000)

A1344 BAGGER, DORIA

2

1 AN ACT concerning the funding and evaluation of charter schools
2 and amending P.L.1995, c.426.

3

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

6

7 1. Section 4 of P.L.1995, c.426 (C.18A:36A-4) is amended to read
8 as follows:

9 4. a. A charter school may be established by teaching staff
10 members, parents with children attending the schools of the district, or
11 a combination of teaching staff members and parents. A charter
12 school may also be established by an institution of higher education or
13 a private entity located within the State in conjunction with teaching
14 staff members and parents of children attending the schools of the
15 district. If the charter school is established by a private entity,
16 representatives of the private entity shall not constitute a majority of
17 the trustees of the school, and the charter shall specify the extent to
18 which the private entity shall be involved in the operation of the
19 school. The name of the charter school shall not include the name or
20 identification of the private entity, and the private entity shall not
21 realize a net profit from its operation of a charter school. A private or
22 parochial school shall not be eligible for charter school status.

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

25 (1) At least 51% of the teaching staff in the school shall have
26 signed a petition in support of the school becoming a charter school;
27 and

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

31 c. An application to establish a charter school shall be submitted
32 to the commissioner and the local board of education or State
33 superintendent, in the case of a State-operated school district, in the
34 school year preceding the school year in which the charter school will
35 be established. The board of education or State superintendent shall
36 review the application and forward a recommendation to the
37 commissioner within 60 days of receipt of the application. The
38 commissioner shall have final authority to grant or reject a charter
39 application.

40 d. The local board of education or a charter school applicant may
41 appeal the decision of the commissioner to the State Board of
42 Education. The State board shall render a decision within 30 days of
43 the date of the receipt of the appeal. If the State board does not

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

Matter underlined thus is new matter.

1 render a decision within 30 days, the decision of the commissioner
2 shall be deemed final.

3 e. A charter school established [during the 48 months] following
4 the effective date of this act, other than a currently existing public
5 school which becomes a charter school pursuant to the provisions of
6 subsection b. of section 4 of this act, shall not have an enrollment in
7 excess of 500 students or greater than 25% of the student body of the
8 school district in which the charter school is established, whichever is
9 less.

10 (cf: P.L.1995, c.426, s.4)

11

12 2. Section 12 of P.L.1995, c.426 (C.18A:36A-12) is amended to
13 read as follows:

14 12. a. The school district of residence shall pay directly to the
15 charter school for each student enrolled in the charter school who
16 resides in the district a presumptive amount equal to 90% of the [local
17 levy] program budget per pupil for the specific grade level in the
18 district. At the discretion of the commissioner and at the time the
19 charter is granted, the commissioner may require the school district of
20 residence to pay directly to the charter school for each student
21 enrolled in the charter school an amount equal to less than 90%
22 percent, or an amount which shall not exceed 100% of the [local levy]
23 program budget per pupil for the specific grade level in the district of
24 residence. The per pupil amount paid to the charter school shall not
25 exceed the [local levy] program budget per pupil for the specific
26 grade level in the district in which the charter school is located. The
27 district of residence shall also pay directly to the charter school any
28 categorical aid attributable to the student, provided the student is
29 receiving appropriate categorical services, and any federal funds
30 attributable to the student.

31 b. Notwithstanding the provisions of subsection a. of this section,
32 the State shall pay a percentage of the program budget per pupil
33 amount required pursuant to subsection a. of this section for each
34 resident student enrolled in the charter school as follows:

35 (1) In the case of a student who was included in the district's
36 projected resident enrollment for the school year, in the first year of
37 the student's enrollment in the charter school, the State shall pay two-
38 thirds of the required program budget per pupil amount and the
39 resident district shall pay one-third. In the second year of the student's
40 enrollment in the charter school, the State shall pay one-third of the
41 required program budget per pupil amount and the resident district
42 shall pay two-thirds. In the third year of the student's enrollment in
43 the charter school and in each year thereafter, the resident district shall
44 pay 100% of the required program budget per pupil amount;

45 (2) In the case of a student who was not included in the district's
46 projected resident enrollment for the school year, the State shall pay

1 100% of the required program budget per pupil amount for the first
2 year of the student's enrollment in the charter school and the State
3 shall make partial payments for the subsequent two years of the
4 student's enrollment pursuant to paragraph 1 of this subsection.

5 (3) The State shall make payments pursuant to this subsection
6 directly to the charter school.

7 (cf: P.L.1995, c.426, s.12)

8
9 3. Section 16 of P.L.1995, c.426 (C.18A:36A-16) is amended to
10 read as follows:

11 16. a. The commissioner shall annually assess whether each
12 charter school is meeting the goals of its charter, and shall conduct a
13 comprehensive review prior to granting a renewal of the charter. The
14 county superintendent of schools of the county in which the charter
15 school is located shall have on-going access to the records and
16 facilities of the charter school to ensure that the charter school is in
17 compliance with its charter and that State board regulations
18 concerning assessment, testing, civil rights, and student health and
19 safety are being met.

20 b. In order to facilitate the commissioner's review, each charter
21 school shall submit an annual report to the local board of education,
22 the county superintendent of schools, and the commissioner in the
23 form prescribed by the commissioner. The report shall be received
24 annually by the local board, the county superintendent, and the
25 commissioner no later than August 1.

26 The report shall also be made available to the parent or guardian of
27 a student enrolled in the charter school.

28 c. **[Six years following the effective date of this act] By May 1,**
29 **2000,** the commissioner shall hold public hearings in the north, central,
30 and southern regions of the State to receive input from members of the
31 educational community and the public on the charter school program.
32 **[The commissioner shall submit to the Governor and the Legislature**
33 **a report on and an evaluation of the charter school program which**
34 **shall include a recommendation on the advisability of the continuation,**
35 **modification, expansion, or termination of the program and any**
36 **recommendations for changes in the structure of the program which**
37 **the commissioner deems advisable.]**

38 d. The commissioner shall commission an independent study of the
39 first three years of the charter school program. The study shall be
40 conducted by an individual or entity identified with expertise in the
41 field of education and the selection shall be approved by the Joint
42 Committee on the Public Schools. The individual or entity shall design
43 a comprehensive study of the charter school program.

44 e. The commissioner shall submit to the Governor, the Legislature,
45 and the State Board of Education by January 1, 2001 an evaluation of
46 the charter school program based upon the public input required

1 pursuant to subsection c. of this section and the independent study
2 required pursuant to subsection d. of this section. The evaluation shall
3 include, but not be limited to, consideration of the following elements:
4 (1) the impact of the charter school program on resident districts'
5 students, staff, parents, educational programs, and finances;
6 (2) the impact of the charter school program and the increased
7 number of schools on the economics of educational services on a
8 Statewide basis;
9 (3) the fairness and the impact of the reduction of available
10 resources on the ability of resident districts to promote competitive
11 educational offerings;
12 (4) the impact of the shift of pupils from nonpublic schools to
13 charter schools;
14 (5) the comparative demographics of student enrollments in school
15 districts of residence and the charter schools located within those
16 districts. The comparison shall include, but not be limited to, race,
17 gender, socioeconomic status, enrollment of special education
18 students, enrollment of students of limited English proficiency, and
19 student progress toward meeting the core curriculum content
20 standards as measured by student results on Statewide assessment
21 tests;
22 (6) the degree of involvement of private entities in the operation
23 and financial support of charter schools, and their participation as
24 members of charter school boards of trustees;
25 (7) verification of the compliance of charter schools with applicable
26 laws and regulations;
27 (8) student progress toward meeting the goals of the charter
28 schools;
29 (9) parent, community and student satisfaction with charter
30 schools;
31 (10) the extent to which waiting lists exist for admission to charter
32 schools and the length of those lists;
33 (11) the extent of any attrition among student and faculty members
34 in charter schools; and
35 (12) the results of the independent study required pursuant to
36 subsection d. of this section.
37 The evaluation shall include a recommendation on the advisability
38 of the continuation, modification, expansion, or termination of the
39 program. If the evaluation does not recommend termination, then it
40 shall include recommendations for changes in the structure of the
41 program which the commissioner deems advisable. The commissioner
42 may not implement any recommended expansion, modification, or
43 termination of the program until the Legislature acts on that
44 recommendation.
45 (cf: P.L.1995, c.426, s.16)

1 4. This act shall take effect immediately and section 2 shall first
2 apply to the 2000-2001 school year.

3
4
5 STATEMENT

6
7 This bill establishes a system of partial State support of the program
8 budget per pupil amount which a school district of residence must
9 forward to a charter school for a resident student enrolled in that
10 school. The program budget per pupil amount is the funding that
11 follows the student from the school district to the charter school to
12 finance the student's regular education program.

13 Under the bill's provisions, if the charter school student was
14 included in the district's projected resident enrollment for the school
15 year, then in the first year of the student's enrollment in the charter
16 school, the State will pay two-thirds of the required program budget
17 per pupil amount and the resident district will pay one-third. In the
18 second year of the student's enrollment in the charter school, the State
19 will pay one-third of the required program budget per pupil amount
20 and the resident district will pay two-thirds. In the third year of the
21 student's enrollment in the charter school and in each school year
22 thereafter, the resident district will pay 100% of the required program
23 budget per pupil amount.

24 In the case of a charter school student who was not included in the
25 district's projected resident enrollment for the school year, the State
26 will pay 100% of the required program budget per pupil amount for
27 the first year of the student's enrollment in the charter school. For the
28 subsequent two years of the student's attendance, the State will make
29 the partial payments as described above.

30 The bill also revises the procedure for the evaluation of the charter
31 school program. By May 1, 2000, the Commissioner of Education will
32 be required to hold public hearings throughout the State to receive
33 public input on the charter school program. Currently those public
34 hearings are not required to be held until January 2002.

35 The bill also requires the commissioner to arrange for an
36 independent study of the first three years of the charter school
37 program. The study must be conducted by an individual or entity with
38 expertise in the field of education and the selection must be approved
39 by the Joint Committee on the Public Schools.

40 The bill directs the commissioner to submit an evaluation of the
41 program to the Governor, the Legislature, and the State Board of
42 Education by January 1, 2001 and outlines some of the specific
43 elements which that evaluation must include. The evaluation is to
44 include a recommendation on the advisability of the continuation,
45 modification, expansion, or termination of the charter school program
46 and the substitute stipulates that the commissioner may not implement

A1344 BAGGER, DORIA

7

1 any of those recommendations until the Legislature acts in regard to
2 the recommendation.

3 Finally, the bill makes permanent the cap on enrollment in an
4 individual charter school. Under existing law, that cap was to be
5 lifted four years following the law's effective date which would be
6 January 11, 2000.

ASSEMBLY EDUCATION COMMITTEE

STATEMENT TO

ASSEMBLY, No. 1344

with committee amendments

STATE OF NEW JERSEY

DATED: MAY 22, 2000

The Assembly Education Committee favorably reports Assembly Bill No. 1344 with committee amendments.

As amended by committee, this bill revises the current funding provisions for charter schools. Under the amended bill, the school district of residence will be required to pay to a charter school on behalf of its resident students, the lower of either 90% of the program budget per pupil for the specific grade level or 90% of the maximum T&E amount weighted for the specific grade level. In the case of a charter school student enrolled in a charter school, that is in operation or whose application was approved by the commissioner prior to the bill's effective date, if 90% of the school district's program budget per pupil is greater than 90% of the maximum T&E amount, then the State will pay directly to the charter school the difference between the two amounts.

The bill also provides, that in the case of a charter school student who was not included in the district's projected resident enrollment for the school year, the State will pay 100% of the required per pupil amount for the first year of the student's enrollment in the charter school. Again, this payment will be made by the State directly to the charter school.

The bill also revises the procedure for the evaluation of the charter school program. By October 1, 2000, the Commissioner of Education will be required to hold public hearings throughout the State to receive public input on the charter school program. Currently those public hearings are not required to be held until January 2002.

The bill also requires the commissioner to arrange for an independent study of the first three years of the charter school program. The study would be conducted by an individual or entity with expertise in the field of education and the selection must be approved by the Joint Committee on the Public Schools.

The bill directs the commissioner to submit an evaluation of the program to the Governor, the Legislature, and the State Board of Education by February 1, 2001 and outlines some of the specific elements which that evaluation must include. The evaluation is to

include a recommendation on the advisability of the continuation, modification, expansion, or termination of the charter school program and the bill stipulates that the commissioner may not implement any of those recommendations until the Legislature acts in regard to the recommendation.

Finally, the bill makes permanent the cap on enrollment in an individual charter school. Under existing law, that cap was lifted four years following the law's effective date which was January 11, 2000.

The committee amended the bill to provide that school districts will only be required to pay the lower of either 90% of the district of residence's program budget per pupil for the specific grade level or 90% of the maximum T&E amount weighted for the student's grade level. The amendments also provide that for charter school students enrolled in a charter school, that is in operation or whose application has been approved by the commissioner prior to the bill's effective date, in those instances in which 90% of the program budget per pupil is greater than 90% of the maximum T&E amount, the State will pay the difference between the two amounts. The amendments delete the provisions of the bill which required the State, in the case of a student who was included in the district's projected resident enrollment, to pay two-thirds of the required per pupil amount during the first year of the student's enrollment in a charter school and one-third in the second year. In the case of a charter school student who was not included in the district's projected enrollment, under the amended bill the State will pay 100% of the required per pupil amount in the first year of the student's enrollment, but the amendments delete the provisions which required the State to pay two-thirds of that amount in the second year and one-third in the third year. The amendments also change the date by which the commissioner is required to hold public hearings on the charter school program from May 1, 2000 to October 1, 2000, and the date by which he is required to submit an evaluation on the program from January 1, 2001 to February 1, 2001.

This bill was pre-filed for introduction in the 2000 legislative session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.

ASSEMBLY, No. 1344

STATE OF NEW JERSEY 209th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2000 SESSION

Sponsored by:

Assemblyman RICHARD H. BAGGER

District 22 (Middlesex, Morris, Somerset and Union)

Assemblyman JOSEPH V. DORIA, JR.

District 31 (Hudson)

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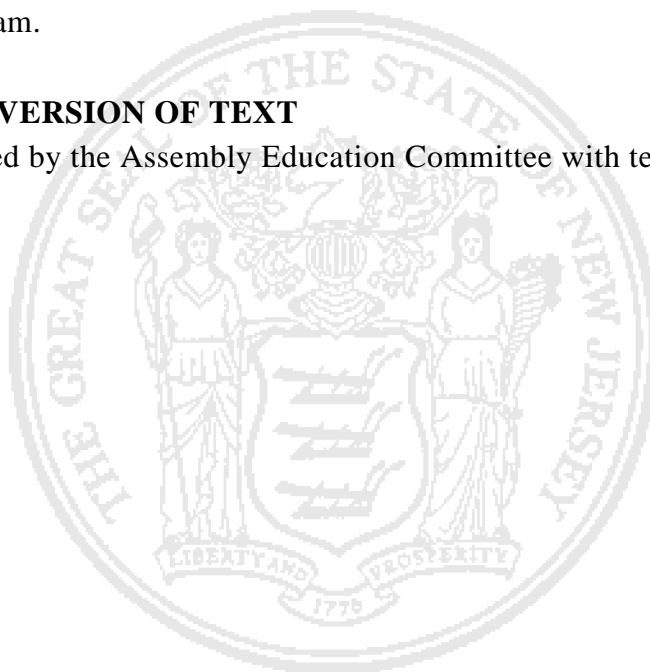
Assemblymen Zecker, Thompson, Azzolina, Assemblywomen Weinberg, Watson Coleman, Buono, Assemblymen Blee, LeFevre, Conaway and Conners

SYNOPSIS

Requires partial payment by the State of program budget per pupil amount for charter school students and revises procedure for evaluation of the charter school program.

CURRENT VERSION OF TEXT

As reported by the Assembly Education Committee with technical review.



(Sponsorship Updated As Of: 3/28/2000)

A1344 BAGGER, DORIA

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2 and amending P.L.1995, c.426.

3

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

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7 1. Section 4 of P.L.1995, c.426 (C.18A:36A-4) is amended to read
8 as follows:

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10 members, parents with children attending the schools of the district, or
11 a combination of teaching staff members and parents. A charter
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17 the trustees of the school, and the charter shall specify the extent to
18 which the private entity shall be involved in the operation of the
19 school. The name of the charter school shall not include the name or
20 identification of the private entity, and the private entity shall not
21 realize a net profit from its operation of a charter school. A private or
22 parochial school shall not be eligible for charter school status.

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

25 (1) At least 51% of the teaching staff in the school shall have
26 signed a petition in support of the school becoming a charter school;
27 and

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

31 c. An application to establish a charter school shall be submitted
32 to the commissioner and the local board of education or State
33 superintendent, in the case of a State-operated school district, in the
34 school year preceding the school year in which the charter school will
35 be established. The board of education or State superintendent shall
36 review the application and forward a recommendation to the
37 commissioner within 60 days of receipt of the application. The
38 commissioner shall have final authority to grant or reject a charter
39 application.

40 d. The local board of education or a charter school applicant may
41 appeal the decision of the commissioner to the State Board of
42 Education. The State board shall render a decision within 30 days of
43 the date of the receipt of the appeal. If the State board does not

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

Matter underlined thus is new matter.

1 render a decision within 30 days, the decision of the commissioner
2 shall be deemed final.

3 e. A charter school established [during the 48 months] following
4 the effective date of this act, other than a currently existing public
5 school which becomes a charter school pursuant to the provisions of
6 subsection b. of section 4 of this act, shall not have an enrollment in
7 excess of 500 students or greater than 25% of the student body of the
8 school district in which the charter school is established, whichever is
9 less.

10 (cf: P.L.1995, c.426, s.4)

11

12 2. Section 12 of P.L.1995, c.426 (C.18A:36A-12) is amended to
13 read as follows:

14 12. a. The school district of residence shall pay directly to the
15 charter school for each student enrolled in the charter school who
16 resides in the district a presumptive amount equal to 90% of the [local
17 levy] program budget per pupil for the specific grade level in the
18 district. At the discretion of the commissioner and at the time the
19 charter is granted, the commissioner may require the school district of
20 residence to pay directly to the charter school for each student
21 enrolled in the charter school an amount equal to less than 90%
22 percent, or an amount which shall not exceed 100% of the [local levy]
23 program budget per pupil for the specific grade level in the district of
24 residence. The per pupil amount paid to the charter school shall not
25 exceed the [local levy] program budget per pupil for the specific
26 grade level in the district in which the charter school is located. The
27 district of residence shall also pay directly to the charter school any
28 categorical aid attributable to the student, provided the student is
29 receiving appropriate categorical services, and any federal funds
30 attributable to the student.

31 b. Notwithstanding the provisions of subsection a. of this section,
32 the State shall pay a percentage of the program budget per pupil
33 amount required pursuant to subsection a. of this section for each
34 resident student enrolled in the charter school as follows:

35 (1) In the case of a student who was included in the district's
36 projected resident enrollment for the school year, in the first year of
37 the student's enrollment in the charter school, the State shall pay two-
38 thirds of the required program budget per pupil amount and the
39 resident district shall pay one-third. In the second year of the student's
40 enrollment in the charter school, the State shall pay one-third of the
41 required program budget per pupil amount and the resident district
42 shall pay two-thirds. In the third year of the student's enrollment in
43 the charter school and in each year thereafter, the resident district shall
44 pay 100% of the required program budget per pupil amount;

45 (2) In the case of a student who was not included in the district's
46 projected resident enrollment for the school year, the State shall pay

1 100% of the required program budget per pupil amount for the first
2 year of the student's enrollment in the charter school and the State
3 shall make partial payments for the subsequent two years of the
4 student's enrollment pursuant to paragraph 1 of this subsection.

5 (3) The State shall make payments pursuant to this subsection
6 directly to the charter school.

7 (cf: P.L.1995, c.426, s.12)

8
9 3. Section 16 of P.L.1995, c.426 (C.18A:36A-16) is amended to
10 read as follows:

11 16. a. The commissioner shall annually assess whether each
12 charter school is meeting the goals of its charter, and shall conduct a
13 comprehensive review prior to granting a renewal of the charter. The
14 county superintendent of schools of the county in which the charter
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16 facilities of the charter school to ensure that the charter school is in
17 compliance with its charter and that State board regulations
18 concerning assessment, testing, civil rights, and student health and
19 safety are being met.

20 b. In order to facilitate the commissioner's review, each charter
21 school shall submit an annual report to the local board of education,
22 the county superintendent of schools, and the commissioner in the
23 form prescribed by the commissioner. The report shall be received
24 annually by the local board, the county superintendent, and the
25 commissioner no later than August 1.

26 The report shall also be made available to the parent or guardian of
27 a student enrolled in the charter school.

28 c. **[Six years following the effective date of this act] By May 1,**
29 **2000,** the commissioner shall hold public hearings in the north, central,
30 and southern regions of the State to receive input from members of the
31 educational community and the public on the charter school program.
32 **[The commissioner shall submit to the Governor and the Legislature**
33 **a report on and an evaluation of the charter school program which**
34 **shall include a recommendation on the advisability of the continuation,**
35 **modification, expansion, or termination of the program and any**
36 **recommendations for changes in the structure of the program which**
37 **the commissioner deems advisable.]**

38 d. The commissioner shall commission an independent study of the
39 first three years of the charter school program. The study shall be
40 conducted by an individual or entity identified with expertise in the
41 field of education and the selection shall be approved by the Joint
42 Committee on the Public Schools. The individual or entity shall design
43 a comprehensive study of the charter school program.

44 e. The commissioner shall submit to the Governor, the Legislature,
45 and the State Board of Education by January 1, 2001 an evaluation of
46 the charter school program based upon the public input required

1 pursuant to subsection c. of this section and the independent study
2 required pursuant to subsection d. of this section. The evaluation shall
3 include, but not be limited to, consideration of the following elements:
4 (1) the impact of the charter school program on resident districts'
5 students, staff, parents, educational programs, and finances;
6 (2) the impact of the charter school program and the increased
7 number of schools on the economics of educational services on a
8 Statewide basis;
9 (3) the fairness and the impact of the reduction of available
10 resources on the ability of resident districts to promote competitive
11 educational offerings;
12 (4) the impact of the shift of pupils from nonpublic schools to
13 charter schools;
14 (5) the comparative demographics of student enrollments in school
15 districts of residence and the charter schools located within those
16 districts. The comparison shall include, but not be limited to, race,
17 gender, socioeconomic status, enrollment of special education
18 students, enrollment of students of limited English proficiency, and
19 student progress toward meeting the core curriculum content
20 standards as measured by student results on Statewide assessment
21 tests;
22 (6) the degree of involvement of private entities in the operation
23 and financial support of charter schools, and their participation as
24 members of charter school boards of trustees;
25 (7) verification of the compliance of charter schools with applicable
26 laws and regulations;
27 (8) student progress toward meeting the goals of the charter
28 schools;
29 (9) parent, community and student satisfaction with charter
30 schools;
31 (10) the extent to which waiting lists exist for admission to charter
32 schools and the length of those lists;
33 (11) the extent of any attrition among student and faculty members
34 in charter schools; and
35 (12) the results of the independent study required pursuant to
36 subsection d. of this section.
37 The evaluation shall include a recommendation on the advisability
38 of the continuation, modification, expansion, or termination of the
39 program. If the evaluation does not recommend termination, then it
40 shall include recommendations for changes in the structure of the
41 program which the commissioner deems advisable. The commissioner
42 may not implement any recommended expansion, modification, or
43 termination of the program until the Legislature acts on that
44 recommendation.
45 (cf: P.L.1995, c.426, s.16)

A1344 BAGGER, DORIA

6

1 4. This act shall take effect immediately and section 2 shall first
2 apply to the 2000-2001 school year.

[First Reprint]

ASSEMBLY, No. 1344

STATE OF NEW JERSEY
209th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2000 SESSION

Sponsored by:

Assemblyman RICHARD H. BAGGER

District 22 (Middlesex, Morris, Somerset and Union)

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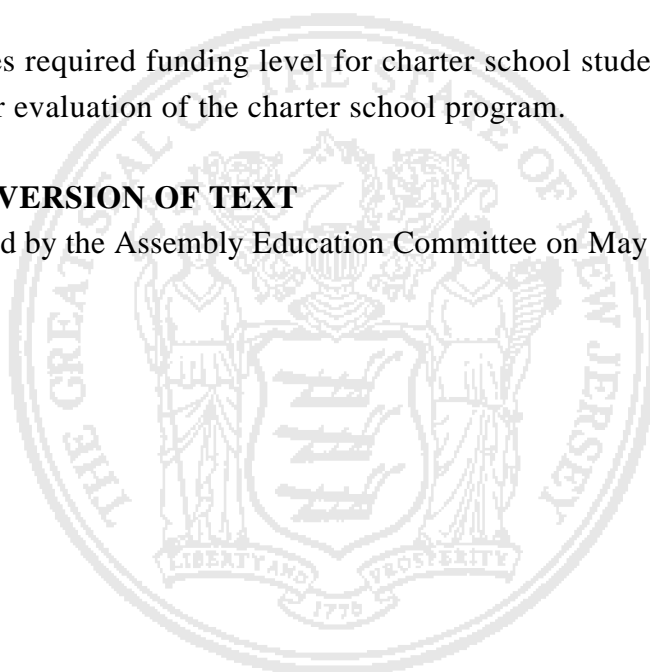
**Assemblymen Zecker, Thompson, Azzolina, Assemblywomen Weinberg,
Watson Coleman, Buono, Assemblymen Blee, LeFevre, Conaway,
Conners, Bateman and Merkt**

SYNOPSIS

Establishes required funding level for charter school students and revises procedure for evaluation of the charter school program.

CURRENT VERSION OF TEXT

As reported by the Assembly Education Committee on May 22, 2000, with amendments.



(Sponsorship Updated As Of: 6/9/2000)

1 AN ACT concerning the funding and evaluation of charter schools and
2 amending P.L.1995, c.426.

3
4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

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

9 4. a. A charter school may be established by teaching staff
10 members, parents with children attending the schools of the district, or
11 a combination of teaching staff members and parents. A charter
12 school may also be established by an institution of higher education or
13 a private entity located within the State in conjunction with teaching
14 staff members and parents of children attending the schools of the
15 district. If the charter school is established by a private entity,
16 representatives of the private entity shall not constitute a majority of
17 the trustees of the school, and the charter shall specify the extent to
18 which the private entity shall be involved in the operation of the
19 school. The name of the charter school shall not include the name or
20 identification of the private entity, and the private entity shall not
21 realize a net profit from its operation of a charter school. A private or
22 parochial school shall not be eligible for charter school status.

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

25 (1) At least 51% of the teaching staff in the school shall have
26 signed a petition in support of the school becoming a charter school;
27 and

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

31 c. An application to establish a charter school shall be submitted to
32 the commissioner and the local board of education or State
33 superintendent, in the case of a State-operated school district, in the
34 school year preceding the school year in which the charter school will
35 be established. The board of education or State superintendent shall
36 review the application and forward a recommendation to the
37 commissioner within 60 days of receipt of the application. The
38 commissioner shall have final authority to grant or reject a charter
39 application.

40 d. The local board of education or a charter school applicant may
41 appeal the decision of the commissioner to the State Board of
42 Education. The State board shall render a decision within 30 days of

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

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Assembly AED committee amendments adopted May 22, 2000.

1 the date of the receipt of the appeal. If the State board does not
2 render a decision within 30 days, the decision of the commissioner
3 shall be deemed final.

4 e. A charter school established [during the 48 months] following
5 the effective date of this act, other than a currently existing public
6 school which becomes a charter school pursuant to the provisions of
7 subsection b. of section 4 of this act, shall not have an enrollment in
8 excess of 500 students or greater than 25% of the student body of the
9 school district in which the charter school is established, whichever is
10 less.

11 (cf: P.L.1995, c.426, s.4)

12

13 2. Section 12 of P.L.1995, c.426 (C.18A:36A-12) is amended to
14 read as follows:

15 12. a. ¹As used in this section:

16 "Maximum T&E amount" means the T&E amount plus the T&E
17 flexible amount for the budget year weighted for kindergarten,
18 elementary, middle school and high school respectively as set forth in
19 section 12 of P.L.1996, c.138 (C.18A:7F-12);

20 "Program budget" means the sum in the prebudget year inflated by
21 the CPI rate published most recent to the budget calculation of core
22 curriculum standards aid; supplemental core curriculum standards aid;
23 stabilization aid, including supplemental stabilization aid and
24 supplemental school tax reduction aid; designated general fund
25 balance; miscellaneous local general fund revenue; and the district's
26 general fund tax levy.

27 b.¹ The school district of residence shall pay directly to the charter
28 school for each student enrolled in the charter school who resides in
29 the district ¹[a presumptive] an¹ amount equal to ¹the lower of either¹
30 90% of the [local levy] program budget per pupil for the specific
31 grade level in the district¹[. At the discretion of the commissioner and
32 at the time the charter is granted, the commissioner may require the
33 school district of residence to pay directly to the charter school for
34 each student enrolled in the charter school an amount equal to less
35 than 90% percent, or an amount which shall not exceed 100% of the
36 [local levy] program budget per pupil for the specific grade level in
37 the district of residence] or 90% of the maximum T&E amount¹. The
38 per pupil amount paid to the charter school shall not exceed the [local
39 levy] program budget per pupil for the specific grade level in the
40 district in which the charter school is located. The district of residence
41 shall also pay directly to the charter school any categorical aid
42 attributable to the student, provided the student is receiving
43 appropriate categorical services, and any federal funds attributable to
44 the student.

45 ¹[b. Notwithstanding the provisions of subsection a. of this

1 section, the State shall pay a percentage of the program budget per
 2 pupil amount required pursuant to subsection a. of this section for
 3 each resident student enrolled in the charter school as follows:

4 (1) In the case of a student who was included in the district's
 5 projected resident enrollment for the school year, in the first year of
 6 the student's enrollment in the charter school, the State shall pay two-
 7 thirds of the required program budget per pupil amount and the
 8 resident district shall pay one-third. In the second year of the student's
 9 enrollment in the charter school, the State shall pay one-third of the
 10 required program budget per pupil amount and the resident district
 11 shall pay two-thirds. In the third year of the student's enrollment in
 12 the charter school and in each year thereafter, the resident district shall
 13 pay 100% of the required program budget per pupil amount:

14 (2) In] c. For any student enrolled in a charter school, that is in
 15 operation or whose application has been approved by the
 16 commissioner prior to the effective date of P.L. , c. (C.) (now
 17 pending before the Legislature as this bill), in which 90% of the
 18 program budget per pupil for the specific grade level is greater than
 19 90% of the maximum T&E amount, the State shall pay the difference
 20 between the two amounts.

21 d. Notwithstanding the provisions of subsection b. of this section,
 22 in¹ the case of a student who was not included in the district's
 23 projected resident enrollment for the school year, the State shall pay
 24 100% of the ¹[required program budget per pupil]¹ amount ¹required
 25 pursuant to subsection b. of this section¹ for the first year of the
 26 student's enrollment in the charter school ¹[and the State shall make
 27 partial payments for the subsequent two years of the student's
 28 enrollment pursuant to paragraph 1 of this subsection]¹.

29 ¹[(3)] e.¹ The State shall make payments ¹required¹ pursuant to
 30 ¹[this subsection] subsections c. and d. of this section¹ directly to the
 31 charter school.

32 (cf: P.L.1995, c.426, s.12)

33
 34 3. Section 16 of P.L.1995, c.426 (C.18A:36A-16) is amended to
 35 read as follows:

36 16. a. The commissioner shall annually assess whether each
 37 charter school is meeting the goals of its charter, and shall conduct a
 38 comprehensive review prior to granting a renewal of the charter. The
 39 county superintendent of schools of the county in which the charter
 40 school is located shall have on-going access to the records and
 41 facilities of the charter school to ensure that the charter school is in
 42 compliance with its charter and that State board regulations
 43 concerning assessment, testing, civil rights, and student health and
 44 safety are being met.

45 b. In order to facilitate the commissioner's review, each charter
 46 school shall submit an annual report to the local board of education,

1 the county superintendent of schools, and the commissioner in the
2 form prescribed by the commissioner. The report shall be received
3 annually by the local board, the county superintendent, and the
4 commissioner no later than August 1.

5 The report shall also be made available to the parent or guardian of
6 a student enrolled in the charter school.

7 c. ~~【Six years following the effective date of this act】~~ By ¹【May】
8 October¹ 1, 2000, the commissioner shall hold public hearings in the
9 north, central, and southern regions of the State to receive input from
10 members of the educational community and the public on the charter
11 school program. ~~【The commissioner shall submit to the Governor and~~
12 ~~the Legislature a report on and an evaluation of the charter school~~
13 ~~program which shall include a recommendation on the advisability of~~
14 ~~the continuation, modification, expansion, or termination of the~~
15 ~~program and any recommendations for changes in the structure of the~~
16 ~~program which the commissioner deems advisable.】~~

17 d. The commissioner shall commission an independent study of the
18 first three years of the charter school program. The study shall be
19 conducted by an individual or entity identified with expertise in the
20 field of education and the selection shall be approved by the Joint
21 Committee on the Public Schools. The individual or entity shall design
22 a comprehensive study of the charter school program.

23 e. The commissioner shall submit to the Governor, the Legislature,
24 and the State Board of Education by ¹【January】 February¹ 1, 2001 an
25 evaluation of the charter school program based upon the public input
26 required pursuant to subsection c. of this section and the independent
27 study required pursuant to subsection d. of this section. The
28 evaluation shall include, but not be limited to, consideration of the
29 following elements:

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

32 (2) the impact of the charter school program and the increased
33 number of schools on the economics of educational services on a
34 Statewide basis;

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

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

40 (5) the comparative demographics of student enrollments in school
41 districts of residence and the charter schools located within those
42 districts. The comparison shall include, but not be limited to, race,
43 gender, socioeconomic status, enrollment of special education
44 students, enrollment of students of limited English proficiency, and
45 student progress toward meeting the core curriculum content
46 standards as measured by student results on Statewide assessment

1 tests:

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

5 (7) verification of the compliance of charter schools with
6 applicable laws and regulations;

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

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

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

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

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

17 The evaluation shall include a recommendation on the advisability
18 of the continuation, modification, expansion, or termination of the
19 program. If the evaluation does not recommend termination, then it
20 shall include recommendations for changes in the structure of the
21 program which the commissioner deems advisable. The commissioner
22 may not implement any recommended expansion, modification, or
23 termination of the program until the Legislature acts on that
24 recommendation.

25 (cf: P.L.1995, c.426, s.16)

26

27 4. This act shall take effect immediately and section 2 shall first
28 apply to the 2000-2001 school year.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]

ASSEMBLY, No. 1344

with Assembly committee amendments

STATE OF NEW JERSEY

DATED: JUNE 8, 2000

The Assembly Appropriations Committee reports favorably Assembly Bill No. 1344 (1R), with committee amendments.

Assembly Bill No. 1344 (1R), as amended, revises the current funding provisions for charter schools. Under the bill, the school district of residence will be required to pay to a charter school on behalf of its resident students, the lower of either 90% of the program budget per pupil for the specific grade level or 90% of the maximum T&E amount weighted for the specific grade level. In the case of a charter school student enrolled in a charter school if 90% of the school district's program budget per pupil is greater than 90% of the maximum T&E amount, then the State will pay directly to the charter school the difference between the two amounts.

The bill provides, that in the case of a charter school student who was not included in the district's projected resident enrollment for the school year, the State will pay 100% of the required per pupil amount for the first year of the student's enrollment in the charter school. Again, this payment will be made by the State directly to the charter school.

The bill revises the procedure for the evaluation of the charter school program. By October 1, 2000, the Commissioner of Education will be required to hold public hearings throughout the State to receive public input on the charter school program. Currently those public hearings are not required to be held until January 2002.

The bill requires the commissioner to arrange for an independent study of the first three years of the charter school program. The study would be conducted by an individual or entity with expertise in the field of education and the selection must be approved by the Joint Committee on the Public Schools. The bill directs the commissioner to submit an evaluation of the program to the Governor, the Legislature, and the State Board of Education by February 1, 2001 and outlines some of the specific elements which that evaluation must include.

Finally, the bill makes permanent the cap on enrollment in an

individual charter school. Under existing law, that cap was lifted four years following the law's effective date which was January 11, 2000.

FISCAL IMPACT:

According to information received from the Department of Education, the Office of Legislative Services estimates a maximum cost of approximately \$6 million in the first year. There would also be an unknown, indeterminable cost for those students coming from private schools and not counted in a school district's projected enrollment.

COMMITTEE AMENDMENTS:

The amendments delete a provision that would otherwise have limited application of the bill's provisions to charter schools that were operating or had been approved before the effective date of the bill.

[Second Reprint]

ASSEMBLY, No. 1344

STATE OF NEW JERSEY
209th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2000 SESSION

Sponsored by:

Assemblyman RICHARD H. BAGGER

District 22 (Middlesex, Morris, Somerset and Union)

Assemblyman JOSEPH V. DORIA, JR.

District 31 (Hudson)

Co-Sponsored by:

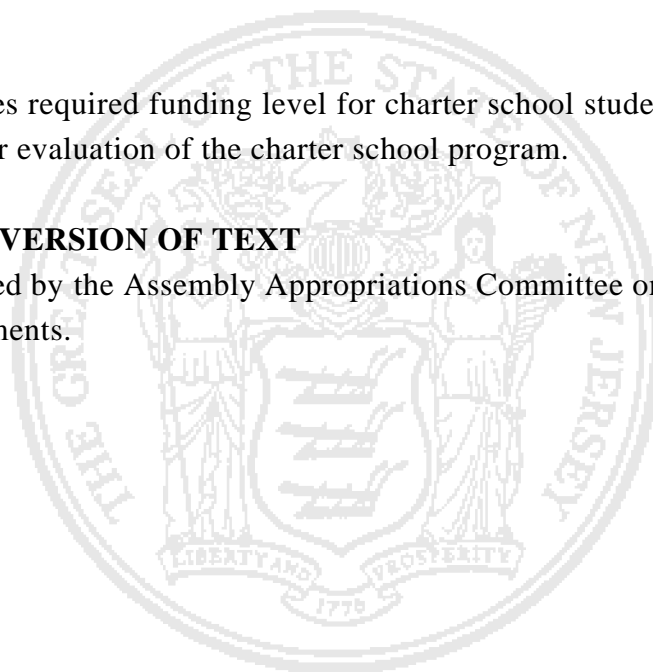
Assemblymen Zecker, Thompson, Azzolina, Assemblywomen Weinberg, Watson Coleman, Buono, Assemblymen Blee, LeFevre, Conaway, Conners, Bateman, Merkt, Assemblywoman Greenstein and Assemblyman Gusciora

SYNOPSIS

Establishes required funding level for charter school students and revises procedure for evaluation of the charter school program.

CURRENT VERSION OF TEXT

As reported by the Assembly Appropriations Committee on June 8, 2000, with amendments.



(Sponsorship Updated As Of: 6/27/2000)

1 AN ACT concerning the funding and evaluation of charter schools and
2 amending P.L.1995, c.426.

3

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

6

7 1. Section 4 of P.L.1995, c.426 (C.18A:36A-4) is amended to read
8 as follows:

9 4. a. A charter school may be established by teaching staff
10 members, parents with children attending the schools of the district, or
11 a combination of teaching staff members and parents. A charter
12 school may also be established by an institution of higher education or
13 a private entity located within the State in conjunction with teaching
14 staff members and parents of children attending the schools of the
15 district. If the charter school is established by a private entity,
16 representatives of the private entity shall not constitute a majority of
17 the trustees of the school, and the charter shall specify the extent to
18 which the private entity shall be involved in the operation of the
19 school. The name of the charter school shall not include the name or
20 identification of the private entity, and the private entity shall not
21 realize a net profit from its operation of a charter school. A private or
22 parochial school shall not be eligible for charter school status.

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

25 (1) At least 51% of the teaching staff in the school shall have
26 signed a petition in support of the school becoming a charter school;
27 and

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

31 c. An application to establish a charter school shall be submitted to
32 the commissioner and the local board of education or State
33 superintendent, in the case of a State-operated school district, in the
34 school year preceding the school year in which the charter school will
35 be established. The board of education or State superintendent shall
36 review the application and forward a recommendation to the
37 commissioner within 60 days of receipt of the application. The
38 commissioner shall have final authority to grant or reject a charter
39 application.

40 d. The local board of education or a charter school applicant may
41 appeal the decision of the commissioner to the State Board of

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

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Assembly AED committee amendments adopted May 22, 2000.

² Assembly AAP committee amendments adopted June 8, 2000.

1 Education. The State board shall render a decision within 30 days of
2 the date of the receipt of the appeal. If the State board does not
3 render a decision within 30 days, the decision of the commissioner
4 shall be deemed final.

5 e. A charter school established [during the 48 months] following
6 the effective date of this act, other than a currently existing public
7 school which becomes a charter school pursuant to the provisions of
8 subsection b. of section 4 of this act, shall not have an enrollment in
9 excess of 500 students or greater than 25% of the student body of the
10 school district in which the charter school is established, whichever is
11 less.

12 (cf: P.L.1995, c.426, s.4)

13

14 2. Section 12 of P.L.1995, c.426 (C.18A:36A-12) is amended to
15 read as follows:

16 12. a. ¹As used in this section:

17 "Maximum T&E amount" means the T&E amount plus the T&E
18 flexible amount for the budget year weighted for kindergarten,
19 elementary, middle school and high school respectively as set forth in
20 section 12 of P.L.1996, c.138 (C.18A:7F-12);

21 "Program budget" means the sum in the prebudget year inflated by
22 the CPI rate published most recent to the budget calculation of core
23 curriculum standards aid; supplemental core curriculum standards aid;
24 stabilization aid, including supplemental stabilization aid and
25 supplemental school tax reduction aid; designated general fund
26 balance; miscellaneous local general fund revenue; and the district's
27 general fund tax levy.

28 b.¹ The school district of residence shall pay directly to the charter
29 school for each student enrolled in the charter school who resides in
30 the district ¹[a presumptive] ¹an¹ amount equal to ¹the lower of either¹
31 90% of the [local levy] program budget per pupil for the specific
32 grade level in the district¹[. At the discretion of the commissioner and
33 at the time the charter is granted, the commissioner may require the
34 school district of residence to pay directly to the charter school for
35 each student enrolled in the charter school an amount equal to less
36 than 90% percent, or an amount which shall not exceed 100% of the
37 [local levy] program budget per pupil for the specific grade level in
38 the district of residence] or 90% of the maximum T&E amount¹. The
39 per pupil amount paid to the charter school shall not exceed the [local
40 levy] program budget per pupil for the specific grade level in the
41 district in which the charter school is located. The district of residence
42 shall also pay directly to the charter school any categorical aid
43 attributable to the student, provided the student is receiving
44 appropriate categorical services, and any federal funds attributable to
45 the student.

1 ¹[b. Notwithstanding the provisions of subsection a. of this
2 section, the State shall pay a percentage of the program budget per
3 pupil amount required pursuant to subsection a. of this section for
4 each resident student enrolled in the charter school as follows:

5 (1) In the case of a student who was included in the district's
6 projected resident enrollment for the school year, in the first year of
7 the student's enrollment in the charter school, the State shall pay two-
8 thirds of the required program budget per pupil amount and the
9 resident district shall pay one-third. In the second year of the student's
10 enrollment in the charter school, the State shall pay one-third of the
11 required program budget per pupil amount and the resident district
12 shall pay two-thirds. In the third year of the student's enrollment in
13 the charter school and in each year thereafter, the resident district shall
14 pay 100% of the required program budget per pupil amount:

15 (2) In] c. For any student enrolled in a charter school² [, that is in
16 operation or whose application has been approved by the
17 commissioner prior to the effective date of P.L. , c. (C.) (now
18 pending before the Legislature as this bill),]² in which 90% of the
19 program budget per pupil for the specific grade level is greater than
20 90% of the maximum T&E amount, the State shall pay the difference
21 between the two amounts.

22 d. Notwithstanding the provisions of subsection b. of this section,
23 in¹ the case of a student who was not included in the district's
24 projected resident enrollment for the school year, the State shall pay
25 100% of the ¹[required program budget per pupil]¹ amount ¹required
26 pursuant to subsection b. of this section¹ for the first year of the
27 student's enrollment in the charter school ¹[and the State shall make
28 partial payments for the subsequent two years of the student's
29 enrollment pursuant to paragraph 1 of this subsection]¹.

30 ¹[(3)] e.¹ The State shall make payments ¹required¹ pursuant to
31 ¹[this subsection] subsections c. and d. of this section¹ directly to the
32 charter school.

33 (cf: P.L.1995, c.426, s.12)

34
35 3. Section 16 of P.L.1995, c.426 (C.18A:36A-16) is amended to
36 read as follows:

37 16. a. The commissioner shall annually assess whether each
38 charter school is meeting the goals of its charter, and shall conduct a
39 comprehensive review prior to granting a renewal of the charter. The
40 county superintendent of schools of the county in which the charter
41 school is located shall have on-going access to the records and
42 facilities of the charter school to ensure that the charter school is in
43 compliance with its charter and that State board regulations
44 concerning assessment, testing, civil rights, and student health and
45 safety are being met.

46 b. In order to facilitate the commissioner's review, each charter

1 school shall submit an annual report to the local board of education,
2 the county superintendent of schools, and the commissioner in the
3 form prescribed by the commissioner. The report shall be received
4 annually by the local board, the county superintendent, and the
5 commissioner no later than August 1.

6 The report shall also be made available to the parent or guardian of
7 a student enrolled in the charter school.

8 c. ~~【Six years following the effective date of this act】~~ By ¹【May】
9 October¹ 1, 2000, the commissioner shall hold public hearings in the
10 north, central, and southern regions of the State to receive input from
11 members of the educational community and the public on the charter
12 school program. ~~【The commissioner shall submit to the Governor and~~
13 ~~the Legislature a report on and an evaluation of the charter school~~
14 ~~program which shall include a recommendation on the advisability of~~
15 ~~the continuation, modification, expansion, or termination of the~~
16 ~~program and any recommendations for changes in the structure of the~~
17 ~~program which the commissioner deems advisable.】~~

18 d. The commissioner shall commission an independent study of the
19 first three years of the charter school program. The study shall be
20 conducted by an individual or entity identified with expertise in the
21 field of education and the selection shall be approved by the Joint
22 Committee on the Public Schools. The individual or entity shall design
23 a comprehensive study of the charter school program.

24 e. The commissioner shall submit to the Governor, the Legislature,
25 and the State Board of Education by ¹【January】 February¹ 1, 2001 an
26 evaluation of the charter school program based upon the public input
27 required pursuant to subsection c. of this section and the independent
28 study required pursuant to subsection d. of this section. The
29 evaluation shall include, but not be limited to, consideration of the
30 following elements:

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

33 (2) the impact of the charter school program and the increased
34 number of schools on the economics of educational services on a
35 Statewide basis;

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

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

41 (5) the comparative demographics of student enrollments in school
42 districts of residence and the charter schools located within those
43 districts. The comparison shall include, but not be limited to, race,
44 gender, socioeconomic status, enrollment of special education
45 students, enrollment of students of limited English proficiency, and
46 student progress toward meeting the core curriculum content

1 standards as measured by student results on Statewide assessment
2 tests;

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

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

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

10 (9) parent, community and student satisfaction with charter
11 schools;

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

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

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

18 The evaluation shall include a recommendation on the advisability
19 of the continuation, modification, expansion, or termination of the
20 program. If the evaluation does not recommend termination, then it
21 shall include recommendations for changes in the structure of the
22 program which the commissioner deems advisable. The commissioner
23 may not implement any recommended expansion, modification, or
24 termination of the program until the Legislature acts on that
25 recommendation.

26 (cf: P.L.1995, c.426, s.16)

27

28 4. This act shall take effect immediately and section 2 shall first
29 apply to the 2000-2001 school year.

LEGISLATIVE FISCAL ESTIMATE
 [Second Reprint]
ASSEMBLY, No. 1344
STATE OF NEW JERSEY
209th LEGISLATURE

DATED: JULY 13, 2000

SUMMARY

- Synopsis:** Establishes required funding level for charter school students and revises procedure for evaluation of the charter school program.
- Type of Impact:** Expenditure increase from the Property Tax Relief Fund/General Fund. Expenditure reduction for some local boards of education. No change in charter school funding.
- Agencies Affected:** Department of Education/local boards of education/charter schools.

Office of Legislative Services Estimate

Fiscal Impact	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
State Cost	\$9,700,000* (see discussion)	indeterminate (see discussion)	indeterminate (see discussion)
Local Cost	Reduces costs to local districts in an amount equal to increased State costs.	Reduces costs to local districts in an amount equal to increased State costs.	Reduces costs to local districts in an amount equal to increased State costs.

- ! Due to a decision of the Council on Local Mandates on May 11, 2000, the amount of per pupil aid paid to a charter school from some of the resident districts is reduced. The Office of Legislative Services, from information provided by the Department of Education, estimates the loss to be \$5.9 million. This bill requires the State to make up the loss in aid that charter schools will experience beginning in FY 2001 and thereafter.
- ! This bill also requires the State to pay 100% of the required per pupil amount for the first year of enrollment of any charter school student who was not included in the district's projected resident enrollment for the school year. ***The additional cost to the State is \$3.8 million. This amount is included in the recommended FY 2001 budget.**
- ! The bill requires the Commissioner of Education to arrange for an independent study of the first three years of the charter school program. The study would be conducted by an individual or entity with expertise in the field of education and the selection must be approved by the Joint Committee on the Public Schools. OLS is not able to estimate the cost

of such a study at this time.

BILL DESCRIPTION

Assembly Bill No. 1344 (2R) of 2000 revises the current funding provisions for charter schools. Under the bill, the school district of residence will be required to pay to a charter school on behalf of its resident students, the lower of either 90 percent of the program budget per pupil amount for the specific grade level or 90 percent of the maximum T&E amount weighted for the specific grade level. In the case of a charter school student enrolled in a charter school, if 90 percent of the school district's program budget per pupil is greater than 90 percent of the maximum T&E amount, then the State will pay directly to the charter school the difference between the two amounts for each student from that district of residence.

The bill also provides, that in the case of a charter school student who was not included in the district's projected resident enrollment for the school year, the State will pay 100 percent of the required per pupil amount for the first year of the student's enrollment in the charter school. Again, this payment will be made by the State directly to the charter school.

The bill also revises the procedure for the evaluation of the charter school program. By October 1, 2000, the Commissioner of Education will be required to hold public hearings throughout the State to receive public input on the charter school program. Currently those public hearings are not required to be held until January 2002.

The bill also requires the commissioner to arrange for an independent study of the first three years of the charter school program. The study would be conducted by an individual or entity with expertise in the field of education and the selection must be approved by the Joint Committee on the Public Schools.

The bill directs the commissioner to submit an evaluation of the program to the Governor, the Legislature, and the State Board of Education by February 1, 2001 and outlines some of the specific elements which that evaluation must include. The evaluation is to include a recommendation on the advisability of the continuation, modification, expansion, or termination of the charter school program and the bill stipulates that the commissioner may not implement any of those recommendations until the Legislature acts in regard to the recommendation.

Finally, the bill makes permanent the cap on enrollment in an individual charter school. Under existing law, that cap was lifted four years following the law's effective date which was January 11, 2000.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

At the time the "Charter School Program Act of 1995" was enacted, the "Quality Education Act of 1990," (QEA) P.L.1990, c.52 (C.18A:7D-1 et al.), was still in force. Under that act, "local levy budget" meant, "the sum of the foundation aid and transition aid received by a school district and the district's local levy for the general fund." Regulations implementing the charter

school act were not promulgated until July 10, 1997. In the meantime, QEA had been repealed and the "Comprehensive Educational Improvement and Financing Act of 1996," (CEIFA) P.L.1996, c.138 (C.18A:7F-1 et seq.), had taken its place. Under CEIFA, local levy budget was no longer a defined term. The analogous CEIFA term, however, would be program budget. The regulations promulgated on July 10, 1997 provided that, "local levy budget per pupil for the specific grade level" means the lower of either the "program budget per pupil" or the T&E amount plus the T&E flexible amount (maximum T&E amount) weighted for the kindergarten, elementary (grades 1-5), middle school (grades 6-8) and high school (grades 9-12) respectively as set forth in N.J.S.A 18A:7F-12 for the applicable school year." Under CEIFA, the T&E amount is the amount the State has determined as necessary to support a thorough and efficient regular education. In many school districts, the maximum T&E amount represents a lower figure than the district's program budget (regular education budget) per pupil and under the original regulations, school districts were required to pay 90 percent of whichever was the lower amount. The regulations were amended on June 1, 1998, to provide that the per pupil amount a district is to pay directly to a charter school is 90 percent of the program budget per pupil amount. The Council on Local Mandates ruled on May 11, 2000 that this change in the regulations constitutes an unfunded mandate. As a result, on and after May 11, 2000, and as provided in the bill, a district will be required to pay directly to the charter school for each student enrolled in the charter school who resides in the district an amount equal to the lower of either 90 percent of the program budget per pupil for the specific grade level in the district or 90 percent of the maximum T&E amount. In many cases, this will mean less money for a charter school. Under the bill, the State is required pay the difference between the two amounts directly to each charter school affected. From information provided by the Department of Education, the Office of Legislative Services estimates that the additional cost to the State for FY 2001 will be \$5.9 million. This estimate is based on projected maximum enrollment for the charter schools affected and as a result of actual enrollment counts which will be made during FY 2001 (required three times during the school year), is likely to be adjusted downward during FY 2001 reflecting actual enrollment. For fiscal years following FY 2001, the additional cost to the State cannot be estimated because: the dollar amount depends on the difference, each year, between a school district's program budget per pupil and the maximum T&E amount; the number of districts for which the program budget per pupil amount is greater than the maximum T&E amount; and the number of new charter schools that may be approved by the Commissioner of Education, for which the State will also be obligated to pay the difference between the resident district's program budget per pupil amount and maximum T & E amount pursuant to the provisions of this bill.

Assembly Bill No. 1344 (2R) also provides, that in the case of a charter school student who was not included in the district's projected resident enrollment for the school year, the State will pay 100 percent of the required per pupil amount for the first year of the student's enrollment in the charter school. This payment will be made by the State directly to the charter school. A portion (\$3.8 million) of the recommended FY 2001 budget appropriation of \$9 million for School Choice/Charter School Aid is for this purpose. The Office of Legislative Services (OLS) notes that while this bill will make this a permanent obligation of the State, it will not result in an increase in State aid for FY 2001 over the amount already proposed.

The bill also requires the commissioner to arrange for an independent study of the first three years of the charter school program. The study would be conducted by an individual or entity with expertise in the field of education and the selection must be approved by the Joint Committee on the Public Schools. The Office of Legislative Services (OLS) is not able to determine the cost of such a study at this time.

Section: *Education*

Analyst: *Theodore C. Settle*
Lead Research Analyst

Approved: *Alan R. Kooney*
Legislative Budget and Finance Officer

This fiscal estimate has been prepared pursuant to P.L.1980, c.67.

STATEMENT TO
[Second Reprint]
ASSEMBLY, No. 1344

with Assembly Floor Amendments
(Proposed By Assemblymen BAGGER and DORIA)

ADOPTED: JUNE 26, 2000

This amendment will permit any two charter schools within the same public school district that were established during the 48 months following the effective date of the charter school act and that are not operating the same grade levels to petition the commissioner to amend their charters and consolidate into one school. The commissioner may approve the amendment to consolidate if the basis for consolidation is to accommodate the transfer of students who would otherwise be subject to the random selection process required under the charter school statute.

Through the consolidation, pupils in the lower grades of a charter school may continue in the upper grades of a charter school without being subject to a lottery, and possibly being denied admission, in those cases where more students apply for enrollment in the upper grades than there are places available.

[Third Reprint]

ASSEMBLY, No. 1344

STATE OF NEW JERSEY
209th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2000 SESSION

Sponsored by:

Assemblyman RICHARD H. BAGGER

District 22 (Middlesex, Morris, Somerset and Union)

Assemblyman JOSEPH V. DORIA, JR.

District 31 (Hudson)

Co-Sponsored by:

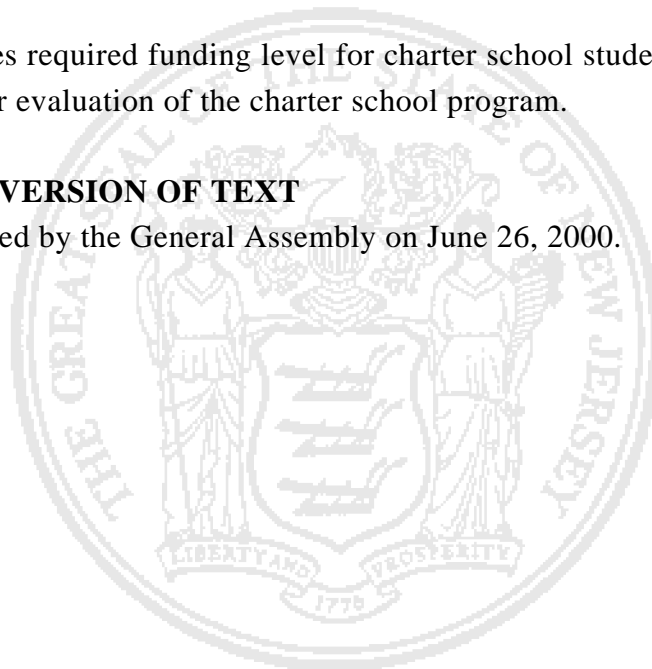
Assemblymen Zecker, Thompson, Azzolina, Assemblywomen Weinberg, Watson Coleman, Buono, Assemblymen Blee, LeFevre, Conaway, Conners, Bateman, Merkt, Assemblywoman Greenstein, Assemblyman Gusciora, Assemblywoman Cruz-Perez, Senators Littell and Vitale

SYNOPSIS

Establishes required funding level for charter school students and revises procedure for evaluation of the charter school program.

CURRENT VERSION OF TEXT

As amended by the General Assembly on June 26, 2000.



(Sponsorship Updated As Of: 6/30/2000)

1 AN ACT concerning the funding and evaluation of charter schools and
2 amending P.L.1995, c.426.

3

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

6

7 1. Section 4 of P.L.1995, c.426 (C.18A:36A-4) is amended to read
8 as follows:

9 4. a. A charter school may be established by teaching staff
10 members, parents with children attending the schools of the district, or
11 a combination of teaching staff members and parents. A charter
12 school may also be established by an institution of higher education or
13 a private entity located within the State in conjunction with teaching
14 staff members and parents of children attending the schools of the
15 district. If the charter school is established by a private entity,
16 representatives of the private entity shall not constitute a majority of
17 the trustees of the school, and the charter shall specify the extent to
18 which the private entity shall be involved in the operation of the
19 school. The name of the charter school shall not include the name or
20 identification of the private entity, and the private entity shall not
21 realize a net profit from its operation of a charter school. A private or
22 parochial school shall not be eligible for charter school status.

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

25 (1) At least 51% of the teaching staff in the school shall have
26 signed a petition in support of the school becoming a charter school;
27 and

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

31 c. An application to establish a charter school shall be submitted to
32 the commissioner and the local board of education or State
33 superintendent, in the case of a State-operated school district, in the
34 school year preceding the school year in which the charter school will
35 be established. The board of education or State superintendent shall
36 review the application and forward a recommendation to the
37 commissioner within 60 days of receipt of the application. The
38 commissioner shall have final authority to grant or reject a charter
39 application.

40 d. The local board of education or a charter school applicant may

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

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Assembly AED committee amendments adopted May 22, 2000.

² Assembly AAP committee amendments adopted June 8, 2000.

³ Assembly floor amendments adopted June 26, 2000.

1 appeal the decision of the commissioner to the State Board of
2 Education. The State board shall render a decision within 30 days of
3 the date of the receipt of the appeal. If the State board does not
4 render a decision within 30 days, the decision of the commissioner
5 shall be deemed final.

6 e. A charter school established [during the 48 months] following
7 the effective date of this act, other than a currently existing public
8 school which becomes a charter school pursuant to the provisions of
9 subsection b. of section 4 of this act, shall not have an enrollment in
10 excess of 500 students or greater than 25% of the student body of the
11 school district in which the charter school is established, whichever is
12 less.

13 ³f. Notwithstanding the provisions of subsection e. of this section,
14 any two charter schools within the same public school district that
15 were established during the 48 months following the effective date of
16 P.L. 1995, c. 426 (C.18A:36A-1 et seq.), and that are not operating
17 the same grade levels may petition the commissioner to amend their
18 charters and consolidate into one school. The commissioner may
19 approve an amendment to consolidate, provided that the basis for
20 consolidation is to accommodate the transfer of students who would
21 otherwise be subject to the random selection process pursuant to
22 section 8 of P.L.1995, c. 426 (C.18A:36A-8). ³
23 (cf: P.L.1995, c.426, s.4)
24

25 2. Section 12 of P.L.1995, c.426 (C.18A:36A-12) is amended to
26 read as follows:

27 12. a. ¹As used in this section:

28 "Maximum T&E amount" means the T&E amount plus the T&E
29 flexible amount for the budget year weighted for kindergarten,
30 elementary, middle school and high school respectively as set forth in
31 section 12 of P.L.1996, c.138 (C.18A:7F-12);

32 "Program budget" means the sum in the prebudget year inflated by
33 the CPI rate published most recent to the budget calculation of core
34 curriculum standards aid; supplemental core curriculum standards aid;
35 stabilization aid, including supplemental stabilization aid and
36 supplemental school tax reduction aid; designated general fund
37 balance; miscellaneous local general fund revenue; and the district's
38 general fund tax levy.

39 b.¹ The school district of residence shall pay directly to the charter
40 school for each student enrolled in the charter school who resides in
41 the district ¹[a presumptive] an¹ amount equal to ¹the lower of either¹
42 90% of the [local levy] program budget per pupil for the specific
43 grade level in the district¹ [. At the discretion of the commissioner and
44 at the time the charter is granted, the commissioner may require the
45 school district of residence to pay directly to the charter school for
46 each student enrolled in the charter school an amount equal to less

1 than 90% percent, or an amount which shall not exceed 100% of the
 2 [local levy] program budget per pupil for the specific grade level in
 3 the district of residence] or 90% of the maximum T&E amount¹. The
 4 per pupil amount paid to the charter school shall not exceed the [local
 5 levy] program budget per pupil for the specific grade level in the
 6 district in which the charter school is located. The district of residence
 7 shall also pay directly to the charter school any categorical aid
 8 attributable to the student, provided the student is receiving
 9 appropriate categorical services, and any federal funds attributable to
 10 the student.

11 ¹[b. Notwithstanding the provisions of subsection a. of this
 12 section, the State shall pay a percentage of the program budget per
 13 pupil amount required pursuant to subsection a. of this section for
 14 each resident student enrolled in the charter school as follows:

15 (1) In the case of a student who was included in the district's
 16 projected resident enrollment for the school year, in the first year of
 17 the student's enrollment in the charter school, the State shall pay two-
 18 thirds of the required program budget per pupil amount and the
 19 resident district shall pay one-third. In the second year of the student's
 20 enrollment in the charter school, the State shall pay one-third of the
 21 required program budget per pupil amount and the resident district
 22 shall pay two-thirds. In the third year of the student's enrollment in
 23 the charter school and in each year thereafter, the resident district shall
 24 pay 100% of the required program budget per pupil amount;

25 (2) In] c. For any student enrolled in a charter school²[, that is in
 26 operation or whose application has been approved by the
 27 commissioner prior to the effective date of P.L. , c. (C.) (now
 28 pending before the Legislature as this bill),]² in which 90% of the
 29 program budget per pupil for the specific grade level is greater than
 30 90% of the maximum T&E amount, the State shall pay the difference
 31 between the two amounts.

32 d. Notwithstanding the provisions of subsection b. of this section,
 33 in¹ the case of a student who was not included in the district's
 34 projected resident enrollment for the school year, the State shall pay
 35 100% of the¹ [required program budget per pupil]¹ amount¹ required
 36 pursuant to subsection b. of this section¹ for the first year of the
 37 student's enrollment in the charter school¹ [and the State shall make
 38 partial payments for the subsequent two years of the student's
 39 enrollment pursuant to paragraph 1 of this subsection]¹.

40 ¹[(3)] e.¹ The State shall make payments¹ required¹ pursuant to
 41 ¹[this subsection] subsections c. and d. of this section¹ directly to the
 42 charter school.

43 (cf: P.L.1995, c.426, s.12)

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

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

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

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

20 c. ~~By~~ ¹ ~~May~~
21 October¹ 1, 2000, the commissioner shall hold public hearings in the
22 north, central, and southern regions of the State to receive input from
23 members of the educational community and the public on the charter
24 school program. ~~【The commissioner shall submit to the Governor and~~
25 ~~the Legislature a report on and an evaluation of the charter school~~
26 ~~program which shall include a recommendation on the advisability of~~
27 ~~the continuation, modification, expansion, or termination of the~~
28 ~~program and any recommendations for changes in the structure of the~~
29 ~~program which the commissioner deems advisable.】~~

30 d. The commissioner shall commission an independent study of the
31 first three years of the charter school program. The study shall be
32 conducted by an individual or entity identified with expertise in the
33 field of education and the selection shall be approved by the Joint
34 Committee on the Public Schools. The individual or entity shall design
35 a comprehensive study of the charter school program.

36 e. The commissioner shall submit to the Governor, the Legislature,
37 and the State Board of Education by ¹ ~~January~~ February¹ 1, 2001 an
38 evaluation of the charter school program based upon the public input
39 required pursuant to subsection c. of this section and the independent
40 study required pursuant to subsection d. of this section. The
41 evaluation shall include, but not be limited to, consideration of the
42 following elements:

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

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

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

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

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

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

20 (7) verification of the compliance of charter schools with
21 applicable laws and regulations;

22 (8) student progress toward meeting the goals of the charter
23 schools;

24 (9) parent, community and student satisfaction with charter
25 schools;

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

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

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

32 The evaluation shall include a recommendation on the advisability
33 of the continuation, modification, expansion, or termination of the
34 program. If the evaluation does not recommend termination, then it
35 shall include recommendations for changes in the structure of the
36 program which the commissioner deems advisable. The commissioner
37 may not implement any recommended expansion, modification, or
38 termination of the program until the Legislature acts on that
39 recommendation.

40 (cf: P.L.1995, c.426, s.16)

41
42 4. This act shall take effect immediately and section 2 shall first
43 apply to the 2000-2001 school year.

[Fourth Reprint]

ASSEMBLY, No. 1344

STATE OF NEW JERSEY
209th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2000 SESSION

Sponsored by:

Assemblyman RICHARD H. BAGGER

District 22 (Middlesex, Morris, Somerset and Union)

Assemblyman JOSEPH V. DORIA, JR.

District 31 (Hudson)

Co-Sponsored by:

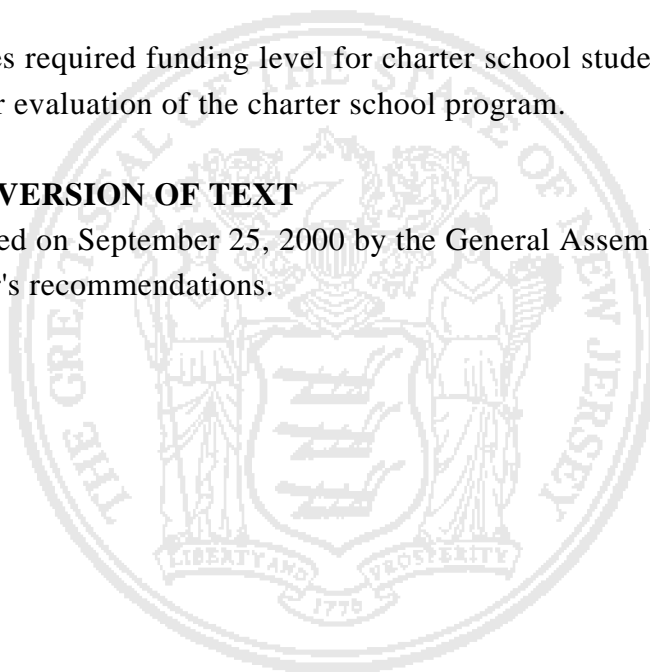
Assemblymen Zecker, Thompson, Azzolina, Assemblywomen Weinberg, Watson Coleman, Buono, Assemblymen Blee, LeFevre, Conaway, Conners, Bateman, Merkt, Assemblywoman Greenstein, Assemblyman Gusciora, Assemblywoman Cruz-Perez, Senators Littell and Vitale

SYNOPSIS

Establishes required funding level for charter school students and revises procedure for evaluation of the charter school program.

CURRENT VERSION OF TEXT

As amended on September 25, 2000 by the General Assembly pursuant to the Governor's recommendations.



(Sponsorship Updated As Of: 6/30/2000)

1 AN ACT concerning the funding and evaluation of charter schools and
2 amending P.L.1995, c.426.

3
4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

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

9 4. a. A charter school may be established by teaching staff
10 members, parents with children attending the schools of the district, or
11 a combination of teaching staff members and parents. A charter
12 school may also be established by an institution of higher education or
13 a private entity located within the State in conjunction with teaching
14 staff members and parents of children attending the schools of the
15 district. If the charter school is established by a private entity,
16 representatives of the private entity shall not constitute a majority of
17 the trustees of the school, and the charter shall specify the extent to
18 which the private entity shall be involved in the operation of the
19 school. The name of the charter school shall not include the name or
20 identification of the private entity, and the private entity shall not
21 realize a net profit from its operation of a charter school. A private or
22 parochial school shall not be eligible for charter school status.

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

25 (1) At least 51% of the teaching staff in the school shall have
26 signed a petition in support of the school becoming a charter school;
27 and

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

31 c. An application to establish a charter school shall be submitted to
32 the commissioner and the local board of education or State
33 superintendent, in the case of a State-operated school district, in the
34 school year preceding the school year in which the charter school will
35 be established. The board of education or State superintendent shall
36 review the application and forward a recommendation to the
37 commissioner within 60 days of receipt of the application. The
38 commissioner shall have final authority to grant or reject a charter
39 application.

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

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹ **Assembly AED committee amendments adopted May 22, 2000.**

² **Assembly AAP committee amendments adopted June 8, 2000.**

³ **Assembly floor amendments adopted June 26, 2000.**

⁴ **Assembly amendments adopted in accordance with Governor's recommendations September 25, 2000.**

1 d. The local board of education or a charter school applicant may
 2 appeal the decision of the commissioner to the State Board of
 3 Education. The State board shall render a decision within 30 days of
 4 the date of the receipt of the appeal. If the State board does not
 5 render a decision within 30 days, the decision of the commissioner
 6 shall be deemed final.

7 e. A charter school established [~~during the 48 months~~] ⁴during
 8 the 48 months⁴ following the effective date of this act, other than a
 9 currently existing public school which becomes a charter school
 10 pursuant to the provisions of subsection b. of section 4 of this act,
 11 shall not have an enrollment in excess of 500 students or greater than
 12 25% of the student body of the school district in which the charter
 13 school is established, whichever is less.

14 ⁴[³f. Notwithstanding the provisions of subsection e. of this
 15 section, any] Any⁴ two charter schools within the same public school
 16 district ⁴[that were established during the 48 months following the
 17 effective date of P.L.1995, c.426 (C.18A:36A-1 et seq.), and]⁴ that
 18 are not operating the same grade levels may petition the commissioner
 19 to amend their charters and consolidate into one school. The
 20 commissioner may approve an amendment to consolidate, provided
 21 that the basis for consolidation is to accommodate the transfer of
 22 students who would otherwise be subject to the random selection
 23 process pursuant to section 8 of P.L.1995, c.426 (C.18A:36A-8).³
 24 (cf: P.L.1995, c.426, s.4)

25

26 2. Section 12 of P.L.1995, c.426 (C.18A:36A-12) is amended to
 27 read as follows:

28 12. a. ¹As used in this section:

29 "Maximum T&E amount" means the T&E amount plus the T&E
 30 flexible amount for the budget year weighted for kindergarten,
 31 elementary, middle school and high school respectively as set forth in
 32 section 12 of P.L.1996, c.138 (C.18A:7F-12);

33 "Program budget" means the sum in the prebudget year inflated by
 34 the CPI rate published most recent to the budget calculation of core
 35 curriculum standards aid; supplemental core curriculum standards aid;
 36 stabilization aid, including supplemental stabilization aid and
 37 supplemental school tax reduction aid; designated general fund
 38 balance; miscellaneous local general fund revenue; and the district's
 39 general fund tax levy.

40 b.¹ The school district of residence shall pay directly to the charter
 41 school for each student enrolled in the charter school who resides in
 42 the district ¹[a presumptive] an¹ amount equal to ¹the lower of either¹
 43 90% of the [local levy] program budget per pupil for the specific
 44 grade level in the district¹[. At the discretion of the commissioner and
 45 at the time the charter is granted, the commissioner may require the
 46 school district of residence to pay directly to the charter school for

1 each student enrolled in the charter school an amount equal to less
2 than 90% percent, or an amount which shall not exceed 100% of the
3 [local levy] program budget per pupil for the specific grade level in
4 the district of residence] or 90% of the maximum T&E amount¹. The
5 per pupil amount paid to the charter school shall not exceed the [local
6 levy] program budget per pupil for the specific grade level in the
7 district in which the charter school is located. The district of residence
8 shall also pay directly to the charter school any categorical aid
9 attributable to the student, provided the student is receiving
10 appropriate categorical services, and any federal funds attributable to
11 the student.

12 ¹[b. Notwithstanding the provisions of subsection a. of this
13 section, the State shall pay a percentage of the program budget per
14 pupil amount required pursuant to subsection a. of this section for
15 each resident student enrolled in the charter school as follows:

16 (1) In the case of a student who was included in the district's
17 projected resident enrollment for the school year, in the first year of
18 the student's enrollment in the charter school, the State shall pay two-
19 thirds of the required program budget per pupil amount and the
20 resident district shall pay one-third. In the second year of the student's
21 enrollment in the charter school, the State shall pay one-third of the
22 required program budget per pupil amount and the resident district
23 shall pay two-thirds. In the third year of the student's enrollment in
24 the charter school and in each year thereafter, the resident district shall
25 pay 100% of the required program budget per pupil amount;

26 (2) In] c. For any student enrolled in a charter school²[, that is in
27 operation or whose application has been approved by the
28 commissioner prior to the effective date of P.L. , c. (C.) (now
29 pending before the Legislature as this bill),]² in which 90% of the
30 program budget per pupil for the specific grade level is greater than
31 90% of the maximum T&E amount, the State shall pay the difference
32 between the two amounts.

33 d. Notwithstanding the provisions of subsection b. of this section,
34 in¹ the case of a student who was not included in the district's
35 projected resident enrollment for the school year, the State shall pay
36 100% of the¹[required program budget per pupil]¹ amount¹required
37 pursuant to subsection b. of this section¹ for the first year of the
38 student's enrollment in the charter school¹[and the State shall make
39 partial payments for the subsequent two years of the student's
40 enrollment pursuant to paragraph 1 of this subsection]¹.

41 ¹[(3)] e.¹ The State shall make payments¹required¹ pursuant to
42 ¹[this subsection] subsections c. and d. of this section¹ directly to the
43 charter school.

44 (cf: P.L.1995, c.426, s.12)

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

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

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

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

20 c. ~~By~~ ¹ ~~May~~
21 ⁴ ~~October~~ ¹ ~~1, 2000~~ ~~April 1, 2001~~⁴, the commissioner shall hold
22 public hearings in the north, central, and southern regions of the State
23 to receive input from members of the educational community and the
24 public on the charter school program. ~~The commissioner shall submit~~
25 ~~to the Governor and the Legislature a report on and an evaluation of~~
26 ~~the charter school program which shall include a recommendation on~~
27 ~~the advisability of the continuation, modification, expansion, or~~
28 ~~termination of the program and any recommendations for changes in~~
29 ~~the structure of the program which the commissioner deems~~
30 ~~advisable.]~~

31 d. The commissioner shall commission an independent study of the
32 ⁴ [first three years of the]⁴ charter school program. The study shall
33 be conducted by an individual or entity identified with expertise in the
34 field of education and the selection shall be approved by the Joint
35 Committee on the Public Schools. The individual or entity shall design
36 a comprehensive study of the charter school program.

37 e. The commissioner shall submit to the Governor, the Legislature,
38 and the State Board of Education by ¹ [January] ⁴ [February]¹
39 October⁴ 1, 2001 an evaluation of the charter school program based
40 upon the public input required pursuant to subsection c. of this section
41 and the independent study required pursuant to subsection d. of this
42 section. The evaluation shall include, but not be limited to,
43 consideration of the following elements:

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

46 (2) the impact of the charter school program and the increased

- 1 number of schools on the economics of educational services on a
2 Statewide basis;
3 (3) the fairness and the impact of the reduction of available
4 resources on the ability of resident districts to promote competitive
5 educational offerings;
6 (4) the impact of the shift of pupils from nonpublic schools to
7 charter schools;
8 (5) the comparative demographics of student enrollments in school
9 districts of residence and the charter schools located within those
10 districts. The comparison shall include, but not be limited to, race,
11 gender, socioeconomic status, enrollment of special education
12 students, enrollment of students of limited English proficiency, and
13 student progress toward meeting the core curriculum content
14 standards as measured by student results on Statewide assessment
15 tests;
16 (6) the degree of involvement of private entities in the operation
17 and financial support of charter schools, and their participation as
18 members of charter school boards of trustees;
19 (7) verification of the compliance of charter schools with
20 applicable laws and regulations;
21 (8) student progress toward meeting the goals of the charter
22 schools;
23 (9) parent, community and student satisfaction with charter
24 schools;
25 (10) the extent to which waiting lists exist for admission to charter
26 schools and the length of those lists;
27 (11) the extent of any attrition among student and faculty members
28 in charter schools; and
29 (12) the results of the independent study required pursuant to
30 subsection d. of this section.

31 The evaluation shall include a recommendation on the advisability
32 of the continuation, modification, expansion, or termination of the
33 program. If the evaluation does not recommend termination, then it
34 shall include recommendations for changes in the structure of the
35 program which the commissioner deems advisable. The commissioner
36 may not implement any recommended expansion, modification, or
37 termination of the program until the Legislature acts on that
38 recommendation.

39 (cf: P.L.1995, c.426, s.16)

40

41 ⁴ 4. (New section) If at any time the commissioner determines
42 that a board of trustees is in jeopardy of losing its charter or an
43 applicant is in jeopardy of not being granted a charter, the
44 commissioner shall so notify the board of trustees or the applicant.
45 The board of trustees or the applicant shall, within 48 hours of receipt
46 of such notification, provide to the commissioner, in writing, a

1 complete list of the names and addresses of all students and staff
2 currently enrolled and working in the school, or in the case of an
3 applicant, a complete list of the names and addresses of all students
4 and staff intending to enroll or work at the school, so the
5 commissioner may send the appropriate notice to the parents or
6 guardians and staff.⁴

7

8 ⁴[4.] 5.⁴ This act shall take effect immediately and section 2 shall
9 first apply to the 2000-2001 school year.

ASSEMBLY BILL NO. 1344
(Third Reprint)

To the General Assembly:

Pursuant to Article V, Section I, Paragraph 14 of the New Jersey Constitution, I am returning Assembly Bill No. 1344 (Third Reprint) with my recommendations for reconsideration.

A. Summary of Bill

The bill revises the funding provisions for charter schools. Under the bill, the school district of residence will be required to pay to a charter school the lower of either 90 percent of the program budget per pupil for the specific grade level in the district or 90 percent of the maximum T&E amount for the specific grade level in the district. If 90 percent of the school district's program budget per pupil is greater than 90 percent of the maximum T&E amount, the bill further requires the State to pay the charter school any shortfall resulting from the difference between the two amounts.

The bill also provides that in the case of a charter school student who was not included in a district's projected resident enrollment for the school year, the State will pay 100 percent of the required per pupil amount for the first year of the student's enrollment in the charter school.

The bill revises the procedure for the evaluation of the charter school program. Under the bill, by October 1, 2000, the Commissioner of Education will be required to hold public hearings throughout the State to receive input on the charter school program. By February 1, 2001, the Commissioner will be required to submit an evaluation of the charter school program to the Governor, the Legislature and the State Board of Education.

Additionally, the bill requires the Commissioner to arrange for an independent study of the first three years of the charter school program, permits certain charter schools to amend their charters and consolidate into one school, and makes permanent the restriction on enrollment size in an individual charter school.

B. Recommended Action

I commend the sponsors of this legislation for their support of the charter school program. While I share in their desire to obtain information regarding the progress of this program, I have three primary concerns with the legislation.

First, we must ensure that the State's charter schools are given a sufficient period of time to demonstrate their proficiency. The Charter School Program Act requires the Commissioner of Education to hold public hearings on the charter school program beginning in January, 2002, and submit to the Governor and the Legislature a report on and an evaluation of the charter school program. This bill requires the report and evaluation to be completed by February 1, 2001, approximately one year earlier. In order to increase the reliability of the evaluation, I believe it would be prudent to require the report to be submitted by October 1, 2001. This will allow the Commissioner to consider the testing results for the 2000-2001 school year, thereby providing four years of proficiency assessment results for the 13 original charter schools. The Commissioner has advised me that this additional time will allow for fuller input from both the members of the educational community and the public. Similarly, I recommend that the required public hearings be held by April 1, 2001, rather than October 1, 2000. Further, this legislation requires the Commissioner to arrange for an independent study of the first three years of the charter school program. In order to allow for a more complete evaluation, I recommend that the study analyze the full implementation period of the program, rather than be limited to the first three years.

Second, I do not believe it is appropriate to make permanent the enrollment "caps" contained in the Charter School Program Act. As you are aware, the Charter School Program Act provided for enrollment caps on all schools established within the initial 48 months. Charter schools established after that time are not subject to this enrollment restriction. It would be premature to make this change prior to receiving the results of both the Department of Education evaluation and the independent study authorized by this bill.

Third, because of the vital role played by both the parents and staff in the success of a charter school, I recommend that the bill specifically authorize the commissioner to direct both charter schools and applicants to provide him with a list of all names and addresses of students and staff to ensure that these individuals may be promptly notified of a change in the status of an existing charter school or a pending application.

Therefore, I herewith return Assembly Bill No. 1344 (Third Reprint) and recommend that it be amended as follows:

Page 3, Section 1, Line 6:

After "established" Insert "during the 48 months"

Page 3, Section 1, Line 13:

Delete entirety

Page 3, Section 1, Line 14: Delete "any" Insert "Any" Delete "that"

Page 3, Section 1, Line 15: Delete entirety

Page 3, Section 1, Line 16: Delete "P.L. 1995, c.426 (C.18A:36A-1 et seq.), and"

Page 5, Section 3, Line 21: Delete "October 1, 2000" Replace with "April 1, 2001"

Page 5, Section 3, Line 31: Delete "first three years of the"

Page 5, Section 3, Line 37: Delete "February" Replace with "October"

Page 6, Section 3, Line 41: Insert "4. (New Section). If at any time the commissioner determines that a board of trustees is in jeopardy of losing its charter or an applicant is in jeopardy of not being granted a charter, the commissioner shall so notify the board of trustees or the applicant. The board of trustees or the applicant shall, within 48 hours of receipt of such notification, provide to the commissioner, in writing, a complete list of the names and addresses of all students and staff currently enrolled and working in the school, or in the case of an applicant, a complete list of the names and addresses of all students and staff intending to enroll or work at the school, so the commissioner may send the appropriate notice to the parents or guardians and staff."

Page 6, Section 4, Line 42: Delete "4." Insert "5."

Respectfully,

/s/ Christine Todd Whitman

Governor

[seal]

Attest:

/s/ Robert E. Fabricant

Chief Counsel to the Governor

P.L. 2000, CHAPTER 142, *approved November 2, 2000*

Assembly, No. 1344 (*Fourth Reprint*)

1 **AN ACT** concerning the funding and evaluation of charter schools and
2 amending P.L.1995, c.426.

3

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

6

7 1. Section 4 of P.L.1995, c.426 (C.18A:36A-4) is amended to read
8 as follows:

9 4. a. A charter school may be established by teaching staff
10 members, parents with children attending the schools of the district, or
11 a combination of teaching staff members and parents. A charter
12 school may also be established by an institution of higher education or
13 a private entity located within the State in conjunction with teaching
14 staff members and parents of children attending the schools of the
15 district. If the charter school is established by a private entity,
16 representatives of the private entity shall not constitute a majority of
17 the trustees of the school, and the charter shall specify the extent to
18 which the private entity shall be involved in the operation of the
19 school. The name of the charter school shall not include the name or
20 identification of the private entity, and the private entity shall not
21 realize a net profit from its operation of a charter school. A private or
22 parochial school shall not be eligible for charter school status.

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

25 (1) At least 51% of the teaching staff in the school shall have
26 signed a petition in support of the school becoming a charter school;
27 and

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

31 c. An application to establish a charter school shall be submitted to
32 the commissioner and the local board of education or State
33 superintendent, in the case of a State-operated school district, in the
34 school year preceding the school year in which the charter school will
35 be established. The board of education or State superintendent shall
36 review the application and forward a recommendation to the
37 commissioner within 60 days of receipt of the application. The

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

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Assembly AED committee amendments adopted May 22, 2000.

² Assembly AAP committee amendments adopted June 8, 2000.

³ Assembly floor amendments adopted June 26, 2000.

⁴ Assembly amendments adopted in accordance with Governor's recommendations September 25, 2000.

1 commissioner shall have final authority to grant or reject a charter
2 application.

3 d. The local board of education or a charter school applicant may
4 appeal the decision of the commissioner to the State Board of
5 Education. The State board shall render a decision within 30 days of
6 the date of the receipt of the appeal. If the State board does not
7 render a decision within 30 days, the decision of the commissioner
8 shall be deemed final.

9 e. A charter school established ~~[during the 48 months]~~ ⁴during
10 the 48 months⁴ following the effective date of this act, other than a
11 currently existing public school which becomes a charter school
12 pursuant to the provisions of subsection b. of section 4 of this act,
13 shall not have an enrollment in excess of 500 students or greater than
14 25% of the student body of the school district in which the charter
15 school is established, whichever is less.

16 ⁴[³f. Notwithstanding the provisions of subsection e. of this
17 section, any] Any⁴ two charter schools within the same public school
18 district ⁴[that were established during the 48 months following the
19 effective date of P.L.1995, c.426 (C.18A:36A-1 et seq.), and]⁴ that
20 are not operating the same grade levels may petition the commissioner
21 to amend their charters and consolidate into one school. The
22 commissioner may approve an amendment to consolidate, provided
23 that the basis for consolidation is to accommodate the transfer of
24 students who would otherwise be subject to the random selection
25 process pursuant to section 8 of P.L.1995, c.426 (C.18A:36A-8). ³
26 (cf: P.L.1995, c.426, s.4)

27

28 2. Section 12 of P.L.1995, c.426 (C.18A:36A-12) is amended to
29 read as follows:

30 12. a. ¹As used in this section:

31 "Maximum T&E amount" means the T&E amount plus the T&E
32 flexible amount for the budget year weighted for kindergarten,
33 elementary, middle school and high school respectively as set forth in
34 section 12 of P.L.1996, c.138 (C.18A:7F-12);

35 "Program budget" means the sum in the prebudget year inflated by
36 the CPI rate published most recent to the budget calculation of core
37 curriculum standards aid; supplemental core curriculum standards aid;
38 stabilization aid, including supplemental stabilization aid and
39 supplemental school tax reduction aid; designated general fund
40 balance; miscellaneous local general fund revenue; and the district's
41 general fund tax levy.

42 b.¹ The school district of residence shall pay directly to the charter
43 school for each student enrolled in the charter school who resides in
44 the district ¹[a presumptive] an¹ amount equal to ¹the lower of either¹
45 90% of the [local levy] program budget per pupil for the specific

1 grade level in the district¹[. At the discretion of the commissioner and
 2 at the time the charter is granted, the commissioner may require the
 3 school district of residence to pay directly to the charter school for
 4 each student enrolled in the charter school an amount equal to less
 5 than 90% percent, or an amount which shall not exceed 100% of the
 6 [local levy] program budget per pupil for the specific grade level in
 7 the district of residence] or 90% of the maximum T&E amount¹. The
 8 per pupil amount paid to the charter school shall not exceed the [local
 9 levy] program budget per pupil for the specific grade level in the
 10 district in which the charter school is located. The district of residence
 11 shall also pay directly to the charter school any categorical aid
 12 attributable to the student, provided the student is receiving
 13 appropriate categorical services, and any federal funds attributable to
 14 the student.

15 ¹[b. Notwithstanding the provisions of subsection a. of this
 16 section, the State shall pay a percentage of the program budget per
 17 pupil amount required pursuant to subsection a. of this section for
 18 each resident student enrolled in the charter school as follows:

19 (1) In the case of a student who was included in the district's
 20 projected resident enrollment for the school year, in the first year of
 21 the student's enrollment in the charter school, the State shall pay two-
 22 thirds of the required program budget per pupil amount and the
 23 resident district shall pay one-third. In the second year of the student's
 24 enrollment in the charter school, the State shall pay one-third of the
 25 required program budget per pupil amount and the resident district
 26 shall pay two-thirds. In the third year of the student's enrollment in
 27 the charter school and in each year thereafter, the resident district shall
 28 pay 100% of the required program budget per pupil amount;

29 (2) In] c. For any student enrolled in a charter school²[, that is in
 30 operation or whose application has been approved by the
 31 commissioner prior to the effective date of P.L. , c. (C.) (now
 32 pending before the Legislature as this bill),]² in which 90% of the
 33 program budget per pupil for the specific grade level is greater than
 34 90% of the maximum T&E amount, the State shall pay the difference
 35 between the two amounts.

36 d. Notwithstanding the provisions of subsection b. of this section,
 37 in¹ the case of a student who was not included in the district's
 38 projected resident enrollment for the school year, the State shall pay
 39 100% of the¹[required program budget per pupil]¹ amount¹ required
 40 pursuant to subsection b. of this section¹ for the first year of the
 41 student's enrollment in the charter school¹ [and the State shall make
 42 partial payments for the subsequent two years of the student's
 43 enrollment pursuant to paragraph 1 of this subsection]¹.

44 ¹[(3)] e.¹ The State shall make payments¹ required¹ pursuant to
 45 ¹[this subsection] subsections c. and d. of this section¹ directly to the

1 charter school.

2 (cf: P.L.1995, c.426, s.12)

3

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

6 16. a. The commissioner shall annually assess whether each
7 charter school is meeting the goals of its charter, and shall conduct a
8 comprehensive review prior to granting a renewal of the charter. The
9 county superintendent of schools of the county in which the charter
10 school is located shall have on-going access to the records and
11 facilities of the charter school to ensure that the charter school is in
12 compliance with its charter and that State board regulations
13 concerning assessment, testing, civil rights, and student health and
14 safety are being met.

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

21 The report shall also be made available to the parent or guardian of
22 a student enrolled in the charter school.

23 c. ~~【Six years following the effective date of this act】~~ By ¹~~【May】~~
24 ⁴~~【October¹ 1, 2000】~~ April 1, 2001 ⁴, the commissioner shall hold
25 public hearings in the north, central, and southern regions of the State
26 to receive input from members of the educational community and the
27 public on the charter school program. ~~【The commissioner shall submit~~
28 ~~to the Governor and the Legislature a report on and an evaluation of~~
29 ~~the charter school program which shall include a recommendation on~~
30 ~~the advisability of the continuation, modification, expansion, or~~
31 ~~termination of the program and any recommendations for changes in~~
32 ~~the structure of the program which the commissioner deems~~
33 ~~advisable.】~~

34 d. The commissioner shall commission an independent study of the
35 ⁴~~【first three years of the】~~ charter school program. The study shall
36 be conducted by an individual or entity identified with expertise in the
37 field of education and the selection shall be approved by the Joint
38 Committee on the Public Schools. The individual or entity shall design
39 a comprehensive study of the charter school program.

40 e. The commissioner shall submit to the Governor, the Legislature,
41 and the State Board of Education by ¹~~【January】~~ ⁴~~【February¹】~~
42 October⁴ 1, 2001 an evaluation of the charter school program based
43 upon the public input required pursuant to subsection c. of this section
44 and the independent study required pursuant to subsection d. of this
45 section. The evaluation shall include, but not be limited to,
46 consideration of the following elements:

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

3 (2) the impact of the charter school program and the increased
4 number of schools on the economics of educational services on a
5 Statewide basis;

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

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

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

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

22 (7) verification of the compliance of charter schools with
23 applicable laws and regulations;

24 (8) student progress toward meeting the goals of the charter
25 schools;

26 (9) parent, community and student satisfaction with charter
27 schools;

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

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

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

34 The evaluation shall include a recommendation on the advisability
35 of the continuation, modification, expansion, or termination of the
36 program. If the evaluation does not recommend termination, then it
37 shall include recommendations for changes in the structure of the
38 program which the commissioner deems advisable. The commissioner
39 may not implement any recommended expansion, modification, or
40 termination of the program until the Legislature acts on that
41 recommendation.

42 (cf: P.L.1995, c.426, s.16)

43
44 ⁴ 4. (New section) If at any time the commissioner determines
45 that a board of trustees is in jeopardy of losing its charter or an
46 applicant is in jeopardy of not being granted a charter, the

1 commissioner shall so notify the board of trustees or the applicant.
2 The board of trustees or the applicant shall, within 48 hours of receipt
3 of such notification, provide to the commissioner, in writing, a
4 complete list of the names and addresses of all students and staff
5 currently enrolled and working in the school, or in the case of an
6 applicant, a complete list of the names and addresses of all students
7 and staff intending to enroll or work at the school, so the
8 commissioner may send the appropriate notice to the parents or
9 guardians and staff.⁴

10

11 ⁴[4.] 5.⁴ This act shall take effect immediately and section 2 shall
12 first apply to the 2000-2001 school year.

13

14

15

16

17 Establishes required funding level for charter school students and
18 revises procedure for evaluation of the charter school program.

CHAPTER 142

AN ACT concerning the funding and evaluation of charter schools and amending P.L.1995, c.426.

BE IT ENACTED by the Senate and General Assembly of the State of New Jersey:

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

C.18A:36A-4 Establishment of charter school.

4. a. A charter school may be established by teaching staff members, parents with children attending the schools of the district, or a combination of teaching staff members and parents. A charter school may also be established by an institution of higher education or a private entity located within the State in conjunction with teaching staff members and parents of children attending the schools of the district. If the charter school is established by a private entity, representatives of the private entity shall not constitute a majority of the trustees of the school, and the charter shall specify the extent to which the private entity shall be involved in the operation of the school. The name of the charter school shall not include the name or identification of the private entity, and the private entity shall not realize a net profit from its operation of a charter school. A private or parochial school shall not be eligible for charter school status.

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

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

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

c. An application to establish a charter school shall be submitted to the commissioner and the local board of education or State superintendent, in the case of a State-operated school district, in the school year preceding the school year in which the charter school will be established. The board of education or State superintendent shall review the application and forward a recommendation to the commissioner within 60 days of receipt of the application. The commissioner shall have final authority to grant or reject a charter application.

d. The local board of education or a charter school applicant may appeal the decision of the commissioner to the State Board of Education. The State board shall render a decision within 30 days of the date of the receipt of the appeal. If the State board does not render a decision within 30 days, the decision of the commissioner shall be deemed final.

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

Any two charter schools within the same public school district that are not operating the same grade levels may petition the commissioner to amend their charters and consolidate into one school. The commissioner may approve an amendment to consolidate, provided that the basis for consolidation is to accommodate the transfer of students who would otherwise be subject to the random selection process pursuant to section 8 of P.L.1995, c.426 (C.18A:36A-8).

2. Section 12 of P.L.1995, c.426 (C.18A:36A-12) is amended to read as follows:

C.18A:36A-12 Definitions; per pupil payments to charter school.

12. a. As used in this section:

"Maximum T&E amount" means the T&E amount plus the T&E flexible amount for the budget year weighted for kindergarten, elementary, middle school and high school respectively as set forth in section 12 of P.L.1996, c.138 (C.18A:7F-12);

"Program budget" means the sum in the prebudget year inflated by the CPI rate published most recent to the budget calculation of core curriculum standards aid; supplemental core curriculum standards aid; stabilization aid, including supplemental stabilization aid and supplemental school tax reduction aid; designated general fund balance; miscellaneous local general fund revenue; and the district's general fund tax levy.

b. The school district of residence shall pay directly to the charter school for each student enrolled in the charter school who resides in the district an amount equal to the lower of either 90% of the program budget per pupil for the specific grade level in the district or 90% of the maximum T&E amount. The per pupil amount paid to the charter school shall not exceed the program budget per pupil for the specific grade level in the district in which the charter school is located. The district of residence shall also pay directly to the charter school any categorical aid attributable to the student, provided the student is receiving appropriate categorical services, and any federal funds attributable to the student.

c. For any student enrolled in a charter school in which 90% of the program budget per pupil for the specific grade level is greater than 90% of the maximum T&E amount, the State shall pay the difference between the two amounts.

d. Notwithstanding the provisions of subsection b. of this section, in the case of a student who was not included in the district's projected resident enrollment for the school year, the State shall pay 100% of the amount required pursuant to subsection b. of this section for the first year of the student's enrollment in the charter school.

e. The State shall make payments required pursuant to subsections c. and d. of this section directly to the charter school.

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

C.18A:36A-16 Annual assessment, review of charter schools, independent study, report, recommendations.

16. a. The commissioner shall annually assess whether each charter school is meeting the goals of its charter, and shall conduct a comprehensive review prior to granting a renewal of the charter. The county superintendent of schools of the county in which the charter school is located shall have on-going access to the records and facilities of the charter school to ensure that the charter school is in compliance with its charter and that State board regulations concerning assessment, testing, civil rights, and student health and safety are being met.

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

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

c. By April 1, 2001, the commissioner shall hold public hearings in the north, central, and southern regions of the State to receive input from members of the educational community and the public on the charter school program.

d. The commissioner shall commission an independent study of the charter school program. The study shall be conducted by an individual or entity identified with expertise in the field of education and the selection shall be approved by the Joint Committee on the Public Schools. The individual or entity shall design a comprehensive study of the charter school program.

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

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

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

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

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

(5) the comparative demographics of student enrollments in school districts of residence and the charter schools located within those districts. The comparison shall include, but not be

limited to, race, gender, socioeconomic status, enrollment of special education students, enrollment of students of limited English proficiency, and student progress toward meeting the core curriculum content standards as measured by student results on Statewide assessment tests;

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

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

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

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

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

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

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

The evaluation shall include a recommendation on the advisability of the continuation, modification, expansion, or termination of the program. If the evaluation does not recommend termination, then it shall include recommendations for changes in the structure of the program which the commissioner deems advisable. The commissioner may not implement any recommended expansion, modification, or termination of the program until the Legislature acts on that recommendation.

C.18A:36A-17.1 Commissioner's actions relative to possible loss, not granting of charter.

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

5. This act shall take effect immediately and section 2 shall first apply to the 2000-2001 school year.

Approved November 2, 2000.