

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]

SENATE, No. 528

STATE OF NEW JERSEY

DATED: JUNE 26, 2000

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 528 (1R).

This bill 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 where 90% of the school district's program budget per pupil is greater than 90% of the maximum T&E amount, 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. There is a provision, however, that notwithstanding the cap, any two

charter schools within the same school district that were established during those four years and not operating the same grade levels may petition the commissioner to amend their charters for the purpose of consolidation. The commissioner may approve the amendment if the basis for consolidation is to accommodate the transfer of students who would otherwise be subject to the random selection process under the charter school statute.

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.