

**ASSEMBLY, No. 442**

---

**STATE OF NEW JERSEY**

**216th LEGISLATURE**

---

PRE-FILED FOR INTRODUCTION IN THE 2014 SESSION

**Sponsored by:**

**Assemblywoman MILA M. JASEY**

**District 27 (Essex and Morris)**

**Assemblywoman BONNIE WATSON COLEMAN**

**District 15 (Hunterdon and Mercer)**

**Assemblyman DANIEL R. BENSON**

**District 14 (Mercer and Middlesex)**

**Assemblyman CRAIG J. COUGHLIN**

**District 19 (Middlesex)**

**Co-Sponsored by:**

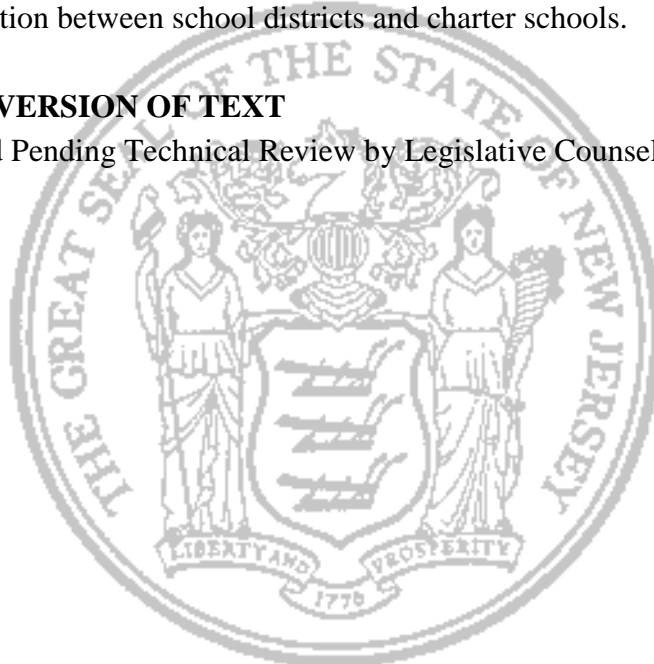
**Assemblyman McKeon**

**SYNOPSIS**

Modifies various aspects of charter school program including student enrollment procedures, revocation of charter, monitoring of charter schools, and collaboration between school districts and charter schools.

**CURRENT VERSION OF TEXT**

Introduced Pending Technical Review by Legislative Counsel



1 AN ACT concerning charter schools and amending and  
2 supplementing 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. (New section) The Legislature finds and declares that based  
8 on experience since the enactment of the “Charter School Program  
9 Act of 1995,” P.L.1995, c.426, which established a charter school  
10 program in New Jersey, it is necessary to establish additional  
11 standards and safeguards to ensure that the charter school program:  
12 is operated in an effective and accountable manner; provides  
13 educational programs to address the special needs of particular  
14 students or subgroups of students; and contributes to the overall  
15 improvement of public education for all students served by charter  
16 schools.

17

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

20 8. a. Preference for enrollment in a charter school shall be  
21 given to students who reside in the [school district in which the  
22 charter school is located. If there are more applications to enroll in  
23 the charter school than there are spaces available, the] charter  
24 school district of residence as approved by the commissioner. A  
25 charter school shall select students to attend [using a random  
26 selection process] through a lottery. The name of each student who  
27 is enrolled in the charter school district of residence shall be placed  
28 in the lottery. In the event that the parents or guardians of a student  
29 who is selected for admission to the charter school through the  
30 lottery determine not to enroll the student in the charter school, then  
31 the charter school shall fill that enrollment space with a student  
32 from the waiting list maintained pursuant to subsection g. of this  
33 section.

34 A charter school shall not charge tuition to students [who reside  
35 in the district].

36 b. A charter school shall allow any student who was enrolled in  
37 the school in the immediately preceding school year to enroll in the  
38 charter school in the appropriate grade unless the appropriate grade  
39 is not offered at the charter school.

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

42 d. If available space permits, a charter school may enroll non-  
43 resident students. The terms and condition of the enrollment shall

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

Matter underlined thus is new matter.

1 be outlined in the school's charter and approved by the  
2 commissioner.

3 e. The admission policy of the charter school shall, to the  
4 maximum extent practicable, seek the enrollment of [a cross section  
5 of the community's school age population including racial and] the  
6 student demographics of the charter school district of residence  
7 including race, ethnicity, eligibility for the federal free lunch  
8 program, eligibility for the federal reduced price lunch program,  
9 limited English proficient students, special education services  
10 students in respective special education classifications, and other  
11 appropriate academic factors.

12 f. A charter school shall file with the commissioner and the  
13 charter school district of residence a report on the student  
14 enrollment demographics of the charter school no later than October  
15 15 of each year. The report shall be in a form prescribed by the  
16 commissioner and shall be posted on the websites of the  
17 Department of Education, the charter school, and the charter school  
18 district of residence.

19 g. A charter school shall maintain a waiting list for admission  
20 to the school and shall annually submit the number and  
21 demographics of students, consistent with subsection f. of this  
22 section, on the waiting list to the commissioner. The Department of  
23 Education and the charter school shall post the number on their  
24 websites and shall update the number as appropriate.

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

26

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

29 9. A student may withdraw from a charter school at any time.  
30 A student may be expelled from a charter school based on criteria  
31 determined by the board of trustees, which are consistent with the  
32 provisions of N.J.S.18A:37-2, and approved by the commissioner as  
33 part of the school's charter. Any expulsion shall be made upon the  
34 recommendation of the charter school principal, in consultation  
35 with the student's teachers. The charter school shall provide the  
36 student's parent or guardian with information on how to transfer the  
37 student to the student's school district of residence and shall  
38 forward all student records to the district of residence.

39 (cf: P.L.1995, c.426, s.9)

40

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

43 11. a. A charter school shall operate in accordance with its  
44 charter and the provisions of law and regulation which govern other  
45 public schools; except that, upon the request of the board of trustees  
46 of a charter school, the commissioner may exempt the school from  
47 State regulations concerning public schools, except those pertaining

1 to assessment, testing, civil rights and student health and safety, if  
2 the board of trustees satisfactorily demonstrates to the  
3 commissioner that the exemption will advance the educational goals  
4 and objectives of the school.

5 A charter school shall comply with all requests for information  
6 or data made by the commissioner.

7 b. A charter school shall comply with the provisions of chapter  
8 46 of Title 18A of the New Jersey Statutes concerning the provision  
9 of services to handicapped students; except that the fiscal  
10 responsibility for any student currently enrolled in or determined to  
11 require a private day or residential school shall remain with the  
12 district of residence.

13 Within 15 days of the signing of the individualized education  
14 plan, a charter school shall provide notice to the resident district of  
15 any individualized education plan which results in a private day or  
16 residential placement. The resident district may challenge the  
17 placement within 30 days in accordance with the procedures  
18 established by law.

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

21 (cf: P.L. 2007, c.260, s.57)

22  
23 5. Section 12 of P.L.1995, c.426 (C.18A:36A-12) is amended  
24 to read as follows:

25 12. a. (Deleted by amendment, P.L.2007, c.260).

26 b. **【The】** (1) Except as otherwise provided pursuant to  
27 paragraph (2) of this subsection, the school district of residence  
28 shall pay directly to the charter school for each student enrolled in  
29 the charter school who resides in the district an amount equal to  
30 90% of the sum of the budget year equalization aid per pupil and  
31 the prebudget year general fund tax levy per pupil inflated by the  
32 CPI rate most recent to the calculation. In addition, the school  
33 district of residence shall pay directly to the charter school the  
34 security categorical aid attributable to the student and a percentage  
35 of the district's special education categorical aid equal to the  
36 percentage of the district's special education students enrolled in the  
37 charter school and, if applicable, 100% of preschool education aid.  
38 The district of residence shall also pay directly to the charter school  
39 any federal funds attributable to the student.

40 (2) In the event that the general fund tax levy for a proposed  
41 budget of the school district of residence is rejected by the voters or  
42 the board of school estimate, as applicable, and the municipal  
43 governing body or bodies of the municipalities included within the  
44 district or the board of school estimate, as applicable, reduces the  
45 amount of the general fund tax levy, the per pupil general fund tax  
46 levy amount calculated pursuant to paragraph (1) of this subsection  
47 shall be reduced in proportion to the reduction made by the

1 municipal governing body or bodies or board of school estimate to  
2 the general fund tax levy.

3 c. (Deleted by amendment, P.L.2007, c.260).

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

10 e. The State shall make payments required pursuant to  
11 subsection d. of this section directly to the charter school.  
12 (cf: P.L.2007, c.260, s.58)

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

16 13. The students who reside in the [school district in which the  
17 charter school is located] charter school district of residence shall  
18 be provided transportation to the charter school on the same terms  
19 and conditions as transportation is provided to students attending  
20 the schools of the district. Non-resident students shall receive  
21 transportation services pursuant to regulations established by the  
22 State board.

23 At the discretion of the board of trustees of a charter school, the  
24 charter school may provide courtesy busing services at its own  
25 expense to students enrolled in the charter school.

26 (cf: P.L.1995 ,c.426, s.13)

27  
28 7. Section 16 of P.L.1995, c.426 (C.18A:36A-16) is amended  
29 to read as follows:

30 16. a. The commissioner shall annually assess whether each  
31 charter school is meeting the goals of its charter[, and]. The annual  
32 assessment shall be in writing and shall be posted on the  
33 department's website no later than October 15. The assessment  
34 shall include, but not be limited to, the number of students who  
35 enrolled in and withdrew from the charter school during the year  
36 and the student demographics of the charter school.

37 The commissioner shall conduct a comprehensive review prior to  
38 granting a renewal of the charter. The findings of the review shall  
39 be submitted in writing to the charter school no later than six  
40 months prior to the commissioner's decision on the renewal of the  
41 charter.

42 The executive county superintendent of schools of the county in  
43 which the charter school is located shall have on-going access to the  
44 records and facilities of the charter school to ensure that the charter  
45 school is in compliance with its charter and that State board  
46 regulations concerning assessment, testing, civil rights, and student  
47 health and safety are being met, as well as regulations concerning

1 student discipline, special education, and bilingual education in the  
2 event that the charter school is not exempt pursuant to the  
3 provisions of subsection a. of section 11 of P.L.1995, c.426  
4 (C.18A:36A-11).

5 b. In order to facilitate the commissioner's review, each charter  
6 school shall submit an annual report to the local board of education,  
7 the executive county superintendent of schools, and the  
8 commissioner in the form prescribed by the commissioner. The  
9 report shall be received annually by the local board, the executive  
10 county superintendent, and the commissioner no later than August  
11 1. The report shall also be made available to the parent or guardian  
12 of a student enrolled in the charter school.

13 In addition to the information required by the commissioner to be  
14 included in the annual report, the annual report shall include  
15 information on the number of students who left the charter school  
16 during the preceding school year by withdrawal, expulsion, other  
17 disciplinary action, or any other circumstance, and the educational  
18 placements of students after leaving the charter school.

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

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

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

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

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

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

45 (4) the impact of the shift of pupils from nonpublic schools to  
46 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.

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

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

17. a. A charter granted by the commissioner pursuant to the provisions of this act shall be granted for a four-year period and may be renewed for a five-year period. The commissioner may revoke a school's charter if the school:

(1) has not fulfilled any condition imposed by the commissioner in connection with the granting of the charter [or if the school has violated any provision of its charter];

(2) fails to achieve the core curriculum content standards or fails to meet any performance standard set forth in the school's charter;

(3) engages in a practice and pattern of discrimination in violation of federal or State law or violates any federal or State law;

1     (4) violates any provision of its charter, including provisions  
2     concerning fiscal responsibility; or

3     (5) fails to make adequate yearly progress for five consecutive  
4     school years in accordance with the provisions of the “No Child  
5     Left Behind Act of 2001,” Pub.L.107-110.

6     b. The commissioner may place the charter school on  
7     probationary status to allow the implementation of a remedial plan  
8     after which, if the plan is unsuccessful, the charter may be  
9     summarily revoked. The commissioner shall develop procedures  
10    and guidelines for the revocation and renewal of a school's charter  
11    which shall be in accordance with the provisions of subsection a. of  
12    this section.

13    c. Upon the revocation of its charter, the charter school shall  
14    provide the following information to the commissioner and to the  
15    parents or guardians of the charter school's students:

16       (1) the effective date of the closure;

17       (2) the name and contact information of the person to whom  
18       reasonable inquiries may be made regarding the closure; and

19       (3) the district of residence for the student.

20    d. Upon the revocation of its charter, the charter school shall  
21    also provide the parents or guardians with information on how to  
22    transfer the student to the student's school district of residence.  
23    The charter school shall forward all student records to a student's  
24    school district of residence.

25    e. A charter school shall cause an independent final audit of the  
26    school's accounts and financial transactions to be made by a public  
27    school accountant within six months following the closure of the  
28    school. The audit shall include, but not be limited to:

29       (1) an accounting of all financial assets, including accounts  
30       receivable, and an inventory of property, equipment, and other  
31       items of material value;

32       (2) an accounting of the liabilities, including accounts payable;  
33       and

34       (3) an assessment of the disposition of any restricted funds  
35       received by or due to the charter school.

36    f. A charter school shall dispose of any net assets remaining  
37    after all liabilities of the charter school have been paid or otherwise  
38    addressed including, but not limited to, the following:

39       (1) the return of any grant funds and restricted categorical funds  
40       to their source in accordance with the terms of the grant or State  
41       and federal law, as appropriate, which may include submission of  
42       final expenditure reports for entitlement grants and the filing of any  
43       required final expenditure reports and final performance reports;  
44       and

45       (2) the return of any donated materials and property in  
46       accordance with any conditions established when the donation of



1 the materials or property was accepted.

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

3

4 9. (New section) In order to enroll in a charter school, the  
5 student must first be registered in the school district in which the  
6 student resides. For any student who applies for enrollment in a  
7 charter school, the board of education of the school district in which  
8 the charter school applicant resides shall process the registration of  
9 the student for the subsequent school year upon submission of the  
10 registration forms. The board of education shall process the  
11 registration in a timely manner, including the assessment of  
12 residency and the subsequent transfer to the charter school, and  
13 shall identify the specific categorical aid for which the student  
14 qualifies.

15

16 10. (New section) A charter school shall annually submit its  
17 budget for the upcoming school year to the commissioner for  
18 review. The budget shall be submitted in such format, and by such  
19 date, as determined by the commissioner and shall include  
20 information on revenues received from private or philanthropic  
21 sources, expenses supported by those revenues, and any in-kind  
22 contributions received by the charter school. The commissioner  
23 shall post the charter school's budget on the department's website.

24

25 11. (New section) A board of education and a charter school  
26 may enter into a written agreement to conduct collaborative  
27 education programs or implement shared services if the  
28 arrangement will serve to improve any of the following for all  
29 students in the charter school and the district of residence:

30 a. teacher quality;

31 b. professional development opportunities for teachers and  
32 principals;

33 c. school leadership;

34 d. programs and services for students with limited English  
35 proficiency and students with disabilities;

36 e. drop-out rates and achievement gaps among students; and

37 f. data collection and program evaluation.

38

39 12. (New section) A charter school shall be subject to review  
40 and evaluation under the New Jersey Quality Single Accountability  
41 Continuum in the five key components of effectiveness established  
42 pursuant to section 10 of P.L.1975, c.212 (C.18A:7A-10). The  
43 commissioner shall determine a charter school's capacity and  
44 effectiveness using quality performance indicators comprised of  
45 standards for each of the five key components. Based on a charter  
46 school's compliance with the quality performance indicators, the  
47 commissioner shall assess the charter school's capacity and

1 effectiveness and place the charter school on a performance  
2 continuum that will determine the type and level of oversight and  
3 technical assistance and support the charter school receives.

4  
5 13. This act shall take effect immediately.

6  
7  
8 STATEMENT

9  
10 This bill implements certain measures to improve the oversight  
11 and accountability of charter schools. The bill does the following:

12 (1) provides that students will be selected for enrollment in a  
13 charter school through a lottery. The name of each student who is  
14 enrolled in the charter school's district of residence will be placed  
15 in the lottery. If the parents or guardians of a student who is  
16 selected through the lottery decide not enroll the student, then the  
17 charter school will fill that enrollment space with a student from the  
18 waiting list. Under current law, a random selection process is only  
19 used if there are more applicants than there are openings in the  
20 charter school. The routine use of lotteries will help to ensure that a  
21 charter school's enrollment reflects the demographics of its district  
22 of residence;

23 (2) requires a charter school to file with the Commissioner of  
24 Education and its district of residence a report on the student  
25 enrollment demographics of the charter school by October 15 of  
26 each year. The report is to be posted on the websites of the  
27 Department of Education, the charter school, and the charter school  
28 district of residence;

29 (3) requires a charter school to maintain a waiting list for  
30 admission to the school and to annually submit the number and  
31 demographics of students on the waiting list to the commissioner.  
32 The department and the charter school will post the number and  
33 student demographics on their websites and update the number as  
34 appropriate;

35 (4) requires the adjustment of the per pupil tax levy amount that  
36 a district of residence must send to a charter school if the district's  
37 budget is defeated by the voters or disapproved by the board of  
38 school estimate and the district's tax levy is reduced. The per pupil  
39 adjustment will reflect the reduced tax levy;

40 (5) requires that a charter school's annual report required under  
41 current law include information on the students who have left the  
42 charter school during the preceding school year through withdrawal,  
43 expulsion, other disciplinary action, or any other circumstance;

44 (6) requires that the commissioner's annual assessment of a  
45 charter school required under current law be in writing and posted  
46 on the department's website no later than October 15;

1       (7) requires that the findings of the commissioner's  
2 comprehensive review of a charter school required under current  
3 law prior to granting a renewal of the charter be provided in writing  
4 to the charter school no later than six months prior to the  
5 commissioner's decision on the renewal of the charter;  
6       (8) establishes the following additional grounds for which the  
7 commissioner may revoke a school's charter:  
8       - the charter school fails to achieve the core curriculum content  
9 standards or fails to meet any performance standard set forth in the  
10 school's charter;  
11       - the charter school engages in a practice and pattern of  
12 discrimination in violation of federal or State law or violates any  
13 federal or State law;  
14       - the charter school violates any provision of its charter  
15 concerning fiscal responsibility; or  
16       - the charter school fails to make adequate yearly progress for  
17 five consecutive school years under the provisions of the "No Child  
18 Left Behind Act of 2001;"  
19       (9) requires the commissioner to post a charter school's approved  
20 budget on the department's website;  
21       (10) permits a board of education and a charter school to enter  
22 into a written agreement to conduct collaborative education  
23 programs or implement shared services if the arrangement will lead  
24 to improvement for all students in areas such as teacher quality and  
25 student achievement;  
26       (11) requires that a charter school, upon the revocation of its  
27 charter, provide the commissioner and the parents or guardians of  
28 its students with information on how to transfer the student to the  
29 student's school district of residence, and to forward all student  
30 records to that district;  
31       (12) provides that a charter school must cause an independent  
32 final audit to be conducted of the school's accounts and financial  
33 transactions within six months following the closure of the school;  
34 and,  
35       (13) requires charter schools to be subject to review and  
36 evaluation under the New Jersey Quality Single Accountability  
37 Continuum (NJ QSAC).