

ASSEMBLY, No. 4794

STATE OF NEW JERSEY 218th LEGISLATURE

INTRODUCED DECEMBER 10, 2018

Sponsored by:

Assemblyman ANDREW ZWICKER

District 16 (Hunterdon, Mercer, Middlesex and Somerset)

Assemblywoman MILA M. JASEY

District 27 (Essex and Morris)

SYNOPSIS

Establishes certain requirements concerning charter school financial reporting and prohibits charter school from contracting with for-profit charter management organization.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 1/16/2019)

1 AN ACT concerning certain charter school requirements 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. A charter school shall not contract with a for-profit charter
8 management organization to provide any operation or management
9 services to the charter school. Any charter management
10 organization that provides operation or management services to a
11 charter school in this State shall be a nonprofit organization.

12
13 2. A charter school shall annually submit its budget for the
14 upcoming school year to the Commissioner of Education for
15 review. The budget shall be submitted in such format, and by such
16 date, as determined by the commissioner and shall include
17 information on all revenues including revenues received from
18 private or philanthropic sources, expenses supported by those
19 revenues, and any in-kind contributions received by the charter
20 school.

21
22 3. a. The budget adopted by a charter school for the school
23 year shall be provided for public inspection on the charter school's
24 Internet site, if one exists, and made available in print in a "user-
25 friendly" format using plain language. The commissioner shall
26 promulgate a "user-friendly," plain language budget summary
27 format for the use of charter schools for this purpose. The
28 commissioner shall also promulgate a procedure for the submission
29 by each charter school of the required budget summary form to the
30 Department of Education.

31 b. The plain language budget summary shall provide the public
32 with information in summary form about the budget of the charter
33 school and shall include, in addition to an abbreviated version of the
34 formal budget adopted by the charter school, such statistical
35 information as the commissioner determines to be useful for the
36 public's understanding of the charter school's fiscal matters and
37 conditions, and shall also include, but not be limited to, the
38 following information for both the budget year and prebudget year:
39 all line items of appropriation aggregated by item type; revenues by
40 major category; a description of available surplus; a description of
41 unusual revenues or appropriations, with a description of the
42 circumstances of the revenues or appropriations; and a list of shared
43 service agreements in which the charter school is participating.

44 c. The plain language budget summary shall be submitted to
45 the Department of Education in such form as determined by the
46 commissioner, and, upon its receipt of the summary, the department
47 shall make the summary available to the public through an Internet
48 website maintained by the department in an easily accessible

1 location. The information on the website shall be presented as data
2 that can be downloaded by the public for comparative purposes
3 using commonly-used software.

4
5 4. a. A charter school board of trustees shall cause an annual
6 audit of the charter school's accounts and financial transactions to
7 be made by a public school accountant pursuant to the provisions of
8 N.J.S.18A:23-1 et seq.

9 b. The report of each annual audit shall be filed, by the public
10 school accountant making the report, with his recommendations
11 with the charter school board of trustees, and the accountant shall
12 within 5 days thereafter file two duplicate copies certified under his
13 signature in the office of the commissioner. The commissioner
14 annually shall publish a summary of the recommendations made for
15 each charter school and the steps which have been taken in each
16 charter school for their implementation.

17
18 5. a. A charter management organization that provides
19 operation or management services to a charter school in this State
20 shall annually submit to the Commissioner of Education the
21 following information:

22 (1) identification of each charter school in the State served by
23 the charter management organization;

24 (2) a list of the officers and members of the management team,
25 board, or other governing body of the charter management
26 organization;

27 (3) a certified audit statement of all revenues from public and
28 private sources and all expenditures related to the organization's
29 function as a charter management organization in this State; and

30 (4) identification of all donors that provided contributions to the
31 charter management organization and all donors that provided
32 contributions to each charter school served by the organization.

33 b. The Department of Education shall make the information
34 submitted by a charter management organization pursuant to
35 subsection a. of this section available to the public through an
36 Internet website maintained by the department in an easily
37 accessible location.

38
39 6. This act shall take effect immediately.
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42 STATEMENT
43

44 This bill supplements the State's charter school law by
45 prohibiting a charter school from contracting with a for-profit
46 charter management organization to provide any operation or
47 management services to the charter school. Under the bill, any
48 charter management organization that provides operation or

1 management services to a charter school in New Jersey would have
2 to be a nonprofit organization.

3 The bill also supplements the charter school law by adding
4 certain requirements related to a charter school's budget and
5 financial transparency. The bill directs charter schools to annually
6 submit their budget for the upcoming school year to the
7 Commissioner of Education for review. The budget will include
8 information on all revenues, expenses supported by those revenues,
9 and any in-kind contributions received by the charter school. The
10 bill provides that the charter school's budget will be posted for
11 public inspection on the charter school's website, if one exists, and
12 made available in print in a "user-friendly" format using plain
13 language. The commissioner will promulgate the "user-friendly"
14 plain language budget summary format. The plain language budget
15 summary will be submitted to the Department of Education, which
16 will also make it available to the public on its website.

17 In addition, the bill requires a charter school board of trustees to
18 have an annual audit conducted of the charter school's accounts and
19 financial transactions pursuant to the provisions of N.J.S.18A:23-1
20 et seq., which also governs audits of each school district. The
21 report of each annual charter school audit must be filed, by the
22 public school accountant making the report, with his
23 recommendations with the charter school board of trustees and with
24 the commissioner. The commissioner annually will publish a
25 summary of the recommendations made for each charter school and
26 the steps that have been taken in each charter school for their
27 implementation.

28 Lastly, the bill imposes financial disclosure requirements on
29 charter management organizations. Under the bill, a charter
30 management organization that provides operation or management
31 services to a charter school in the State must annually submit the
32 following information to the Commissioner of Education: (1)
33 identification of each charter school in the State served by the
34 charter management organization; (2) a list of the officers and
35 members of the management team, board, or other governing body
36 of the charter management organization; (3) a certified audit
37 statement of all revenues and all expenditures related to the
38 organization's function as a charter management organization in
39 this State; and (4) identification of all donors that provided
40 contributions to the charter management organization and all donors
41 that provided contributions to each charter school served by the
42 organization. The bill requires the Department of Education to
43 make the information submitted by charter management
44 organizations publicly available on the department's website.