EXECUTIVE SUMMARY

OFFICE OF CHARTER SCHOOLS

Our review of charter school operations disclosed that state aid distributions were calculated in compliance with the School Funding Reform Act of 2008; however, the process to approve initial applications and to grant charter renewals was inadequate. In addition, mandated monitoring procedures, which include annual assessments of charter school performance and enrollments, are not being performed. Specific policies and procedures that provide a basis for decision making and help with the identification of successful or failing schools need to be developed immediately.

AUDIT HIGHLIGHTS

- We noted deficiencies in the application approval process that could result in poorly qualified applicants opening schools. Also, reviewer eligibility and qualification requirements have not been established. In addition, the overall approval process lacks transparency with respect to scoring criteria. Our review noted several instances where denied applications received a higher score than approved applications. We also noted other factors are considered, such as an interview with the school founders, but there is a lack of transparency as to the degree these factors have on the overall decision making process.

- Required annual assessments that determine whether a charter school is meeting the goals of its charter, measure the effect enrollment declines have on the host school district, and review the student composition of the charter schools are not being completed. As a result, the department cannot be assured that reported performance outcomes are actually being achieved and enrollment selections are in compliance with the law. In addition, inefficiencies regarding school building use by the host school district may go undetected.

- In accordance with N.J.A.C. 6A:11-2.3, the commissioner shall grant or deny the renewal of a charter upon a comprehensive review of the school. An evaluation of the school’s renewal application, annual reports, and student performance on the Statewide Assessment Program is required as part of the review. Our review noted a lack of formal written guidelines over the department’s review process. In addition, information contained in the school’s annual reports is not verified and performance benchmarks for NJASK scores have not been established. We compared charter school third grade results on the 2010 NJASK to third grade scores in the host school district. We found that in 13 of 40 schools the percentage of students that achieved proficient or advanced proficient underperformed their host district by 10 percentage points or more in one or both of the tested areas. This indicates a need for more effective monitoring to identify ineffective schools that may require assistance or that should be closed for performance deficiencies.

AUDITEE RESPONSE

The department has taken steps to correct the audit findings.

For the complete audit report, click here.