

Oct. 16, 2014

Testimony of Norine Gall, AFTNJ Legislative Committee

Re S. 2319

Senate Education Committee

Sen. M. Theresa Ruiz, Chair

Sen. Shirley K. Turner, Vice-Chair

Sen. Diane B. Allen

Sen. James Beach

Sen. Michael J. Doherty

### Introduction

The AFT New Jersey state federation believes that we have much work to do in order to improve education in our state and teachers must have a voice in that process. We believe charter schools, if done right, can be part of a reform strategy, and we are proud to represent teachers at charter schools. Just like traditional public schools, charter schools need strong and meaningful oversight and accountability mechanisms to ensure high performance. We have several concerns about this legislation.

### New Authorizer

The bill creates a new entity to authorize charter schools in the state, the charter school authorizing board. The State Board of Education oversees the new authorizing board. It is unclear why a more fragmented authorizer system is necessary in the state. If anything, multiple authorizers drive down quality as nonprofits are allowed to forum shop. While a provision in the bill prevents charters from applying to both authorizers in the same year, it does not prevent a school from forum shopping year to year. We believe, for example, that the creation of multiple authorizers in Ohio has led to a substantial diminution in charter school standards there. In Illinois, the state's new additional authorizer has already approved an application previously rejected by Chicago Public Schools. This has led legislation to be introduced there to eliminate this authorizer.

### New Charter Application Process

S.2319's creation of a request for proposal process for charter applications—instead of the traditional charter application process where the authorizer accepts any application from any school district or community—could help create accountability for charters. The bill, however, fails to provide detailed criteria to guide the authorizers. For example, it says the request for proposal would detail “school districts or communities in which a new charter school would be approved” but does not detail how a school district or community would be eligible to get a new charter approved. It also does not require any coordination between the authorizers and the school district or community that could be eligible for a

charter school. In fact, the legislation only requires the authorizer to examine “the student composition of the charter school and the potential effects that the loss of the students may have on the school district in which the potential charter school students reside” after it receives an application. The legislation also does not give guidance on how the authorizer should develop criteria that the authorizer will use when evaluating applications.

Research from Philadelphia has found that the transfer of students from districts to charter schools there has led to a systematic undermining of the finances and stability of Philadelphia public schools. We believe that charter expansion in our cities threatens to do the same. We agree that this is an impact of charter expansion that authorizers should study, but we believe that more should be done to see that the entire system is functioning appropriately.

### Transparency

New transparency requirements in S.2319 are a step in the right direction. The bill would require authorizers to issue detailed reports on the schools they authorize. The bill would also require charters to conduct an annual audit of their finances and for the charter to adopt a nepotism policy—both long overdue requirements that provide for a minimum level of transparency. For greater transparency, the state could require charter schools to have publically accessible any contracts with management organizations, have publically accessible their charter application and contract, disclose how much public money goes to marketing and advertising, clearly disclose administrative expenses and CEO pay, abide by a uniform statement of expenses and revenues, and clearly disclose student expulsion and mobility rates. We would also like to see charter schools reporting their expenditures using the same forms that all New Jersey public schools districts use for federal purposes.

S.2316 also specifies that a charter school should have a “detailed plan and timeline for student recruitment and the procedure for conducting a public lottery if the number of students seeking admission exceeds the capacity” with the authorizer developing a procedure “for publicizing and certifying a lottery conducted by a charter school to which it has granted a charter.” The legislation, however, still leaves the lottery process fragmented and controlled by individual charter schools. Real accountable lotteries would be administered by the state department of education at a central location to give all interested families an opportunity to participate. We are troubled by reports showing that charter schools across the country are systematically creating barriers to admissions that allow them to configure their enrollment to their tastes. That includes reports of charter schools asking parents for social security numbers or requiring placement exams or essays as part of the admissions process. This is why we support the language in the bill calling for charter schools to recognize the grade status students earned in their previous school. However, we would like a blanket ban on pre and post lottery impediments to admissions.

### Real Estate

The bill gives a charter school the right of first refusal to a public building being leased or sold. If such a right is to exist, it should be offset by legislative language indicated that even after the sale or lease, the building remains public property to ensure that chartering is not a pretext to shift public property to private control.

### Charter Contracts

S.2316 extends the term of an initial charter to five years and gives an authorizer the discretion to renew a charter for up to 10 years. Such a long charter contract essentially allows charters more time to operate without a review by the authorizer. While the legislation gives new authority to shut down a school at anytime, it is unlikely the authorizer will take as complete a look at the school under this authority as it would under a charter renewal scenario.

### Revoking Charters

S.2316 includes new and strong authority for authorizers to investigate and shut down failing charter schools. This is a very positive step. The critical question is whether the legislature will give the Department of Education the resources it needs for effective oversight.

### Conclusion

While the legislation takes some good steps toward accountability and transparency for charter schools, additional protections are needed to ensure charters are operated in an effective manner.