

SENATE, No. 3002

STATE OF NEW JERSEY 214th LEGISLATURE

INTRODUCED JULY 7, 2011

Sponsored by:

Senator DONALD NORCROSS

District 5 (Camden and Gloucester)

SYNOPSIS

“Urban Hope Act”; permits charter school conversions in five failing districts; permits private entities with board approval to build and operate up to two schools in five failing districts.

CURRENT VERSION OF TEXT

As introduced.



S3002 NORCROSS

2

1 AN ACT concerning education options in failing schools and failing
2 districts and supplementing Title 18A of the New Jersey
3 Statutes.

4

5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:

7

8 1. This act shall be known and may be cited as the “Urban Hope
9 Act.”

10

11 2. The Legislature finds and declares that:

12 a. Maintaining a thorough and efficient public school system is
13 among the Legislature’s most important responsibilities;

14 b. Although New Jersey’s per pupil public school expenditures
15 are among the highest in the nation, many of the State’s students are
16 failing to achieve the core curriculum content standards;

17 c. Many of those students are confined to a number of
18 persistently failing school districts and schools that, year after year,
19 have been unable to convert increased State aid and other resources
20 into improved student achievement, higher graduation rates, or
21 greater student readiness for postsecondary education and gainful
22 employment;

23 d. For those school districts and schools, it is necessary to
24 provide local boards of education, parents, students, and teachers
25 with more and better options and greater flexibility to turn around
26 their failing schools; and

27 e. Two such options are the increased use of charter schools and
28 the introduction, on a limited basis, of school management
29 organizations, which have been effectively employed by many
30 states to build, staff, and operate elementary and secondary schools
31 in school districts with high concentrations of at-risk students.

32

33 3. a. Notwithstanding the provisions of the P.L.1995, c.426
34 (C.18A:36A-1 et seq.), or any other law or regulation to the
35 contrary, a failing school in a failing district may be converted to a
36 charter school in any one of the following ways:

37 (1) the board of education of a failing district may apply to the
38 commissioner to convert a failing school or failing schools into a
39 charter school;

40 (2) a majority of the parents of students in a failing school in a
41 failing district may apply to the commissioner to convert the failing
42 school that their children attend into a charter school; or

43 (3) a majority of the teachers in a failing school in a failing
44 district may apply to the commissioner to convert the failing school
45 in which they teach into a charter school.

46 b. The commissioner, pursuant to this act, may approve no more
47 than two charter school conversions in any one failing district.

S3002 NORCROSS

- 1 c. All students from the failing school shall automatically be
2 enrolled in the charter school conversion unless they choose
3 otherwise. Accordingly, the total enrollment of the charter school
4 conversion shall not be less than the total enrollment of the failing
5 school it replaced.
- 6 d. The district of residence shall pay to the charter school each
7 year an amount per pupil to be determined by the charter school and
8 approved by the commissioner, but in no event shall that amount be
9 greater than 90% of the district's per pupil expenditure. A special
10 education student enrolled in the charter school shall be eligible for
11 extraordinary special education aid in accordance with the
12 provisions of section 13 of P.L.2007, c.260 (C.18A:7F-55).
- 13 e. The hiring and related personnel decisions of the charter
14 school following a charter school conversion shall be governed by
15 this section.
- 16 f. If the commissioner has granted a charter school conversion
17 application, the charter school may, but need not, retain the
18 employees of the failing school or failing schools it replaced.
19 Employees not retained by the charter school shall be placed on a
20 preferred eligible list and shall be eligible for reemployment in the
21 failing district pursuant to the provisions of N.J.S.18A:28-11,
22 section 1 of P.L.1985, c.217 (C.18A:28-11.1), N.J.S.18A:28-12,
23 N.J.S.18A:28-13, and N.J.S.18A:28-14.
- 24 All school employees of the charter school conversion shall be
25 deemed to be members of the bargaining unit defined in the
26 applicable agreement and shall be represented by the same majority
27 representative organization as the employees covered by the
28 agreement.
- 29 g. In hiring its employees and establishing compensation
30 packages for a charter school conversion, a charter school shall not
31 be bound by State tenure laws.
- 32 h. In hiring its employees for a charter school conversion, a
33 charter school shall be subject to the provisions of the "New Jersey
34 Employer-Employee Relations Act," P.L.1941, c.100 (C.34:13A-1
35 et seq.). A charter school shall not set a teacher salary lower than
36 the minimum teacher salary specified pursuant to section 7 of
37 P.L.1985, c.321 (C.18A:29-5.6).
- 38 i. All principals, administrators, classroom teachers, and
39 professional support staff hired by a charter school to work in a
40 charter school conversion shall hold appropriate New Jersey
41 certifications. The commissioner shall make appropriate
42 adjustments in the alternate route program in order to expedite the
43 certification of persons who are qualified by education and
44 experience.
- 45 j. All provisions of P.L.1995, c.426 (C.18A:36A-1 et seq.),
46 including the application process for charter schools, approval
47 process for charter schools, and governance structure of charter

S3002 NORCROSS

1 schools not inconsistent with this section shall remain in full force
2 and effect.

3 k. As used in this section:

4 “Failing district” means and includes a school district with an
5 October 2011 projected enrollment of greater than 10,000 students,
6 which is one of the five districts in the State with the highest
7 percent of failing schools on the effective date of this act.

8 “Failing school” means an elementary school, middle school, or
9 high school that: (1) at the time of application is designated, and for
10 at least two consecutive years prior to the submission of the
11 application was designated, a school in need of improvement
12 pursuant to the federal “No Child Left Behind Act of 2001,”
13 Pub.L.107-110; and (2) if the school is an elementary or middle
14 school, at the time of application has 60% or more of its students
15 scoring partially proficient in either language arts literacy or
16 mathematics on the New Jersey Assessment of Skills and
17 Knowledge in two or more grades or, if the school is a high school,
18 at the time of application has 60% or more of its students scoring
19 partially proficient in either language arts literacy or mathematics
20 on the New Jersey High School Proficiency Assessment or, if the
21 school is a high school, has a graduation rate at or below 60%.

22 “Per pupil expenditure” means the sum of the budget year
23 equalization aid per pupil, budget year adjustment aid per pupil, the
24 prebudget year general fund tax levy per pupil inflated by the CPI
25 rate most recent to the calculation, security categorical aid
26 attributable to the student, a percentage of the district's special
27 education categorical aid equal to the percentage of the district's
28 special education students enrolled in the charter school conversion,
29 and if applicable 100% of preschool education aid. The district
30 shall also pay directly to the charter school any federal funds
31 attributable to the student.

32

33 4. As used in this act:

34 “Commissioner” means the Commissioner of Education.

35 “Failing district” means and includes a school district with an
36 October 2011 projected enrollment of greater than 10,000 students,
37 which is one of the five districts in the State with the highest
38 percent of failing schools on the effective date of this act.

39 “Failing school” means an elementary school, middle school, or
40 high school that: (1) is designated, and for at least two consecutive
41 years prior to the submission of the application was designated, a
42 school in need of improvement pursuant to the federal “No Child
43 Left Behind Act of 2001,” Pub.L.107-110; and (2) if the school is
44 an elementary or middle school, has 60% or more of its students
45 scoring partially proficient in either language arts literacy or
46 mathematics on the New Jersey Assessment of Skills and
47 Knowledge in two or more grades or, if the school is a high school,
48 has 60% or more of its students scoring partially proficient in either

S3002 NORCROSS

1 language arts literacy or mathematics on the New Jersey High
2 School Proficiency Assessment or, if the school is a high school,
3 has a graduation rate at or below 60%.

4 “Organizational document” means the document adopted by the
5 school management organization for the transformation school
6 project and approved by the commissioner that sets forth the
7 information required pursuant to section 9 of this act.

8 “Per pupil expenditure” means the sum of the budget year
9 equalization aid per pupil, budget year adjustment aid per pupil, the
10 prebudget year general fund tax levy per pupil inflated by the CPI
11 rate most recent to the calculation, security categorical aid
12 attributable to the student, a percentage of the district's special
13 education categorical aid equal to the percentage of the district's
14 special education students enrolled in the transformation school
15 project, and if applicable 100% of preschool education aid. The
16 district shall also pay directly to the transformation school project
17 any federal funds attributable to the student.

18 “School facility” means and includes any structure, building, or
19 facility used wholly or in part for educational purposes by the
20 students of a school district.

21 “School facilities project” means the planning, acquisition,
22 demolition, construction, improvement, alteration, modernization,
23 renovation, reconstruction, or capital maintenance of all or any part
24 of a school facility.

25 “School management organization” means any business entity,
26 however formed, whose primary purpose is the staffing, operation,
27 and management of elementary schools, middle schools, or high
28 schools in the United States.

29 “State share” means the State’s share of providing for the costs
30 of school facilities projects as determined pursuant to the
31 “Educational Facilities Construction and Financing Act,” P.L.2000,
32 c.72 (C.18A:7G-1 et al.).

33 “Transformation school district” means a failing district that
34 applies to the commissioner for authorization to create no more than
35 two transformation school projects in the district and is approved to
36 do so by the commissioner pursuant to this act.

37 “Transformation school project” means a school or schools that
38 is built, operated, and managed by a school management
39 organization and is approved by the commissioner pursuant to this
40 act.

41

42 5. a. The board of education in a failing district may apply to
43 the commissioner, in a form prescribed by the commissioner, to be
44 designated a transformation school district. Once a transformation
45 school district is approved, one or more school management
46 organizations, in partnership with the transformation school district,
47 may apply to create no more than a total of two transformation
48 school projects in the district pursuant to this act.

S3002 NORCROSS

1 b. An application for a transformation school district shall be
2 submitted to the commissioner no later than one year following the
3 effective date of this act. Upon the commissioner's determination
4 that an application is complete, the commissioner shall have up to
5 90 days to review that application and either approve it or deny it.
6 The commissioner shall approve no more than five transformation
7 school districts and no more than two transformation school
8 projects in each of the transformation school districts, pursuant to
9 this act.

10 c. In reviewing and judging applications for transformation
11 school districts, the factors considered by the commissioner shall
12 include, but need not be limited to:

13 (1) the number of failing schools in the failing district;

14 (2) the failing district's current and historical Quality Single
15 Accountability Continuum scores;

16 (3) the failing district's current and historical scores on the New
17 Jersey Assessment of Skills and Knowledge, New Jersey High
18 School Proficiency Assessment, National Assessment of
19 Educational Progress, and any other State or national test;

20 (4) the failing district's graduation rate;

21 (5) the number of charter schools in the failing district;

22 (6) support among the board of education, parents, students, and
23 teachers for the application;

24 (7) the likelihood that transformation school projects will
25 improve academic achievement in the failing district; and

26 (8) any other factors deemed significant by the commissioner.

27 d. Once a failing district has been designated a transformation
28 school district, school management organizations may apply to
29 create no more than a total of two transformation school projects in
30 the district pursuant to this act.

31

32 6. a. The commissioner shall establish an application and review
33 process as set forth in sections 7 and 8 of this act pursuant to which
34 a school management organization may apply to the commissioner
35 to create no more than a total of two transformation school projects
36 in a transformation school district. A transformation school project
37 may only be built in a transformation school district.

38 b. Notwithstanding that a transformation school project shall be
39 constructed, controlled, operated, and managed by a school
40 management organization, and not the local board of education, it
41 shall be a public school.

42 c. A transformation school project shall be created in the
43 following way: a school management organization, with the
44 approval of the board of education, may apply to build, operate, and
45 manage a new school facility or facilities in the transformation
46 school district.

47 d. The costs of a transformation school project including, but
48 not limited to, the costs of land acquisition, site remediation, site

S3002 NORCROSS

1 development, design, construction, and any other costs required to
2 place into service the school facility or facilities constituting the
3 transformation school project shall be at the sole expense of the
4 school management organization.

5 e. Notwithstanding the provisions of the "Educational Facilities
6 Construction and Financing Act," P.L.2000, c.72 (C.18A:7G-1 et
7 al.) or any other law or regulation to the contrary, there shall be no
8 State share for the costs of a transformation school project.

9 f. Notwithstanding the provisions of the "Public School
10 Contracts Law," P.L.1977, c.114 (C.18A:18A-1 et seq.), or any
11 other law or regulation to the contrary, the school management
12 organization shall not be subject to public bidding for goods and
13 services, and any contracts entered into by the school management
14 organization shall not be deemed public contracts or public works;
15 except that any contract entered into by the school management
16 organization shall be deemed a public work for the purposes of the
17 "New Jersey Prevailing Wage Act," P.L.1963, c.150 (C.34:11-56.25
18 et seq.), and subject to the applicable provisions of that act.

19 g. The transformation school district in which a transformation
20 school project is located shall pay to the school management
21 organization each year an amount per pupil to be determined by the
22 school management organization and approved by the
23 commissioner, but in no event shall that amount be greater than
24 90% of the district's per pupil expenditure. A special education
25 student enrolled in the transformation school project shall be
26 eligible for extraordinary special education aid in accordance with
27 the provisions of section 13 of P.L.2007, c.260 (C.18A:7F-55).

28 h. Transformation school projects shall be required to meet the
29 same testing and academic performance standards established by
30 law and regulation for public school students.

31 i. Transformation school projects shall meet any additional
32 testing and academic performance standards established by the
33 school management organization, approved by the commissioner,
34 and included in the organizational document.

35
36 7. A school management organization seeking to create a
37 transformation school project shall submit, in a form prescribed by
38 the commissioner, an application to the commissioner that shall
39 contain, at a minimum, the following:

40 a. a resolution adopted in a public meeting by the board of
41 education of the transformation school district in which the
42 transformation school project will be located certifying the support
43 of the board for the application;

44 b. an amendment to the district's long-range facilities plan that
45 includes the proposed transformation school project submitted to
46 the commissioner pursuant to section 4 of P.L.2000, c.72
47 (C.18A:7G-4);

S3002 NORCROSS

- 1 c. information relating to the school management organization
- 2 including, but not limited to: (1) biographies of the organization's
- 3 officers and directors; (2) the history of the organization; (3) the
- 4 number, names, and locations of the schools presently operated by
- 5 the organization; (4) all historical testing data for any statewide or
- 6 national tests administered to students of those schools; (5) any
- 7 recognition or awards won by those schools; (6) the number, names,
- 8 and locations of any schools that were once operated by the
- 9 organization that were closed for any reason or that the organization
- 10 no longer operates for any reason; (7) any lawsuits involving the
- 11 organization; (8) the organization's most recent audited financial
- 12 statements; (9) documents reflecting the organization's corporate
- 13 structure; and (10) documents evidencing that the organization is in
- 14 good standing in the state in which it is organized;
- 15 d. the educational goals of the transformation school project, the
- 16 curriculum to be offered, and the methods of assessing whether
- 17 students are meeting the proffered educational goals;
- 18 e. any testing and academic performance standards to be
- 19 mandated by the transformation school project beyond those
- 20 required by State law and regulation;
- 21 f. the admission policy and criteria for evaluating the admission
- 22 of students to the transformation school project, which shall comply
- 23 with the provisions of section 10 of this act;
- 24 g. the age or grade range of students to be enrolled in the
- 25 transformation school project;
- 26 h. the total number of students to be enrolled in each grade level
- 27 of the transformation school project;
- 28 i. the transformation school project calendar and school day
- 29 schedule;
- 30 j. a description of the transformation school project staff
- 31 responsibilities and the proposed qualifications of teaching staff;
- 32 k. a description of the procedures to be implemented to ensure
- 33 significant parental involvement in the operation of the
- 34 transformation school project;
- 35 l. the financial plan for the transformation school project and the
- 36 provisions that will be made for auditing the school pursuant to
- 37 N.J.S.18A:23-1;
- 38 m. a description of, and address for, the school facility or
- 39 facilities in which the transformation school project will be located;
- 40 n. documentation of the funds available to the school
- 41 management organization to construct the school facilities project,
- 42 including the terms of any financing secured for such purpose;
- 43 o. if the transformation school project includes the acquisition of
- 44 land, the application shall include, at a minimum: (1) a description
- 45 of the land to be acquired; (2) the costs of acquisition; (3) the
- 46 timetable for acquisition; and (4) the financing for acquisition; and
- 47 p. such other information as the commissioner may require.

S3002 NORCROSS

1 8. a. At any time following the commissioner's designation of a
2 failing district as a transformation school district, a school
3 management organization may submit an application for a
4 transformation school project in that transformation school district
5 to the commissioner pursuant to this act.

6 b. Simultaneous with the submission of its application to the
7 commissioner, the school management organization shall submit a
8 construction plan for undertaking the school facilities project to the
9 chief executive officer of the New Jersey Schools Development
10 Authority in a form prescribed by the chief executive officer. The
11 chief executive officer shall have 60 days to review the construction
12 plan and, upon completion of that review, shall accept the plan,
13 reject it, or propose modifications. The chief executive officer shall
14 share his review and recommendation of the construction plan with
15 the commissioner, who shall take that review and recommendation
16 into consideration when deciding whether to approve or deny the
17 application for the transformation school project.

18 c. In reviewing and judging applications for transformation
19 school projects, the factors considered by the commissioner shall
20 include, but not be limited to:

21 (1) The likelihood that the transformation school project will
22 improve academic achievement in the transformation school
23 district;

24 (2) The strength of the support for the transformation school
25 project from the school district, board of education, and parents;

26 (3) The past successes and failures of schools managed,
27 operated, or otherwise run by the school management organization,
28 with particular emphasis on the successes and failures of
29 transformation school projects already run by the school
30 management organization in the transformation school district, if
31 any;

32 (4) The financial position and solidity of the school management
33 organization;

34 (5) The per pupil cost sought by the school management
35 organization from the school district;

36 (6) Any recommendations from the chief executive officer of the
37 Schools Development Authority;

38 (7) Geographic diversity and diversity of school type, elementary
39 school, middle school, and high school, among the proposed
40 transformation school projects; and

41 (8) Any other factors deemed significant by the commissioner.

42 d. Once approved, a transformation school project shall be
43 authorized for 5 years from the date of its opening, subject to
44 annual reviews by the commissioner and renewal pursuant to
45 section 14 of this act.

46

47 9. a. Upon approval of an application for a transformation
48 school project by the commissioner, the school management

1 organization, the board of education of the transformation school
2 district in which the transformation school project will be located,
3 and the commissioner shall enter into a contract setting forth the
4 terms and conditions for the transformation school project
5 including, but not limited to, the operation, management, and
6 funding of the transformation school project.

7 b. Upon approval of an application for a transformation school
8 project by the commissioner, the school management organization
9 shall file with the commissioner an organizational document for the
10 transformation school project adopted by the school management
11 organization and approved by the commissioner, setting forth:

12 (1) The name of the transformation school project, the grade
13 levels of the school, the location of the school, and the total
14 enrollment of the school;

15 (2) The mission statement for the transformation school project;

16 (3) The application process for enrollment in the transformation
17 school project;

18 (4) The curriculum for the transformation school project;

19 (5) The length of the transformation school project school day
20 and school year;

21 (6) Any testing and academic performance standards mandated
22 by the transformation school project beyond those required by State
23 law and regulation; and

24 (7) Such other information as the commissioner may require.

25 c. The commissioner shall make the organizational document
26 publicly available, including on the Department of Education's
27 website.

28

29 10. a. Enrollment in the transformation school project shall be
30 open to all grade level appropriate students in the transformation
31 school district. If the applications received by the transformation
32 school project exceed the total enrollment for any grade or grades in
33 the school as established in the school's organizational document,
34 then the school management organization shall select students for
35 the school based on a lottery process approved by the
36 commissioner.

37 b. In developing and executing its selection process, a school
38 management organization shall not discriminate on the basis of
39 intellectual or athletic ability, measures of achievement or aptitude,
40 status as a handicapped person, proficiency in the English language,
41 or any other basis that would be illegal if used by a school district.
42 A school management organization may, however, limit admission
43 to a particular grade level or levels consistent with its
44 organizational document.

45

46 11. a. A school management organization shall operate a
47 transformation school project in accordance with the school's

S3002 NORCROSS

1 organizational document, this act, and the laws and regulations that
2 govern other public schools which are not inconsistent with this act.

3 b. In operating a transformation school project, a school
4 management organization shall comply with the provisions of
5 chapter 46 of Title 18A of the New Jersey Statutes concerning the
6 provision of services to handicapped students.

7 c. In operating a transformation school project, a school
8 management organization shall comply with all applicable State and
9 federal anti-discrimination statutes.

10

11 12. a. In hiring its employees and establishing compensation
12 packages for a transformation school project, a school management
13 organization shall not be bound by State tenure laws.

14 b. All school employees hired to work in a transformation
15 school project shall be deemed to be members of the bargaining unit
16 defined in the applicable agreement and shall be represented by the
17 same majority representative organization as the employees covered
18 by the agreement.

19 c. In hiring its employees for a transformation school project, a
20 school management organization shall be subject to the provisions
21 of the "New Jersey Employer-Employee Relations Act," P.L.1941,
22 c.100 (C.34:13A-1 et seq.). A school management organization
23 shall not set a teacher salary lower than the minimum teacher salary
24 specified pursuant to section 7 of P.L.1985, c.321 (C.18A:29-5.6).

25 d. All principals, administrators, classroom teachers, and
26 professional support staff hired by a school management
27 organization to work in a transformation school project shall hold
28 appropriate New Jersey certifications. The commissioner shall
29 make appropriate adjustments in the alternate route program in
30 order to expedite the certification of persons who are qualified by
31 education and experience.

32

33 13. A school management organization may only expel a student
34 from a transformation school project on the same terms and subject
35 to the same limitations as a student may be expelled from a public
36 school.

37

38 14. a. The commissioner shall annually assess whether each
39 transformation school project is meeting the goals of its
40 organizational document and improving student achievement. In
41 order to facilitate the commissioner's review, each transformation
42 school project, through its school management organization, shall
43 submit an annual report to the commissioner in the form prescribed
44 by the commissioner. The report shall be received annually by
45 August 1 and be made publicly available immediately thereafter,
46 including on the Department of Education's website.

47 b. If, during the annual assessment, the commissioner
48 determines that a transformation school project is violating its

S3002 NORCROSS

1 organizational document or has average test scores on the New
2 Jersey Assessment of Skills and Knowledge or New Jersey High
3 School Proficiency Assessment below the average for the
4 transformation school district in which it is located, the
5 commissioner shall take corrective measures. Specifically, the
6 commissioner shall work with the school management organization
7 to develop a remediation plan. If, after one year, that remediation
8 plan fails to correct the transformation school project's violation of
9 its organizational document or, after two years, fails to improve
10 student test scores, then the commissioner shall consider removing
11 the school management organization and replacing it with new
12 management or closing the school.

13 c. Every five years, prior to granting a renewal of a
14 transformation school project, the commissioner shall conduct a
15 comprehensive review of the school. Renewal shall be presumed
16 where the school's average test scores on the New Jersey
17 Assessment of Skills and Knowledge or New Jersey High School
18 Proficiency Assessment exceed the average for the transformation
19 school district in which it is located by 25 points or more in
20 language arts literacy, mathematics, or both.

21 d. The commissioner shall have on-going access to the records
22 and facilities of the transformation school project and the school
23 management organization to ensure that the school is in compliance
24 with its organizational document and with State laws and
25 regulations.

26 e. Five years following the date of the opening of the first
27 transformation school project, the commissioner shall report to the
28 Governor, the State Board of Education, and to the Legislature as
29 provided pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1),
30 on the efficacy of the schools in educating students and whether
31 additional transformation school districts should be authorized and,
32 if so, how many. The commissioner shall also recommend any
33 changes to this act deemed appropriate by him based on his
34 experience with the transformation school projects.

35
36 15. a. Notwithstanding the provisions of the "Educational
37 Facilities Construction and Financing Act," P.L.2000, c.72
38 (C.18A:7G-1 et al.), or any other law or regulation to the contrary,
39 when a school management organization seeks to build a school
40 facilities project on land owned by the New Jersey Schools
41 Development Authority, the authority may convey the land by
42 ground lease or fee simple title to either the transformation school
43 district or the school management organization if the authority
44 determines conveyance to be in the best interests of the State,
45 provided that such conveyance, whether by ground lease or fee
46 simple title shall (1) contain a restriction that the land be used
47 solely for a school or it shall revert to the authority; and (2) be for

1 such consideration and on such terms as the authority determines to
2 be in the best interests of the State.

3 b. In the event of a conveyance by the authority to a
4 transformation school district pursuant to this section, the
5 transformation school district is authorized to enter into a sub-lease
6 of the property to the school management organization as required
7 to effectuate the transformation school project. The sub-lease shall
8 be submitted to the commissioner for his review and approval. The
9 sub-lease shall contain a restriction that the land be used solely for
10 the transformation school project or it shall revert to the school
11 district.

12
13 16. The Commissioner of Education, pursuant to the
14 “Administrative Procedures Act,” P.L.1968, c.410 (C.52:14B-1 et
15 seq.) shall adopt regulations to effectuate the purposes of this act;
16 except that, notwithstanding any provision of P.L.1968, c.410
17 (C.52:14B-1 et seq.) to the contrary, the commissioner may adopt,
18 immediately upon filing with the Office of Administrative Law,
19 such regulations as the commissioner deems necessary to
20 implement the provisions of this act, which regulations shall be
21 effective for a period not to exceed 12 months and may, thereafter,
22 be amended, adopted, or readopted by the commissioner in
23 accordance with the requirements of P.L.1968, c.410 (C.52:14B-1
24 et seq.).

25
26 17. This act shall take effect immediately.

27
28
29 STATEMENT

30
31 The bill is entitled the “Urban Hope Act.” The bill authorizes
32 and establishes procedures for the conversion of failing schools into
33 charter schools and the designation of five failing school districts as
34 transformation school districts.

35 This bill permits no more than a total of two failing schools in
36 the five districts falling into the category of “failing district” to be
37 converted to a charter school in one of the following ways:

- 38
- 39 • A board of education of the failing district applies to the
40 Commissioner of Education for the conversion;
 - 41 • A majority of the parents of students in the failing school
42 in the failing district applies to the commissioner for the
43 conversion; or
 - 44 • A majority of the teachers in the failing school of the
45 failing district applies to the commissioner for the
46 conversion.

47 A “failing school” is defined as an elementary, middle, or high
48 school that: (1) at the time of application is designated, and for at
least two consecutive years prior to the submission of the

1 application was designated, a school in need of improvement
2 pursuant to the “No Child Left Behind Act of 2001,” and (2) if the
3 school is an elementary or middle school, at the time of application
4 has 60% or more of its students scoring partially proficient in either
5 language arts literacy or mathematics on the New Jersey
6 Assessment of Skills and Knowledge in two or more grades or, if
7 the school is a high school, at the time of application has 60% or
8 more of its students scoring partially proficient in either language
9 arts literacy or mathematics on the New Jersey High School
10 Proficiency Assessment or has a graduation rate at or below 60%.
11 A “failing district” is defined to mean and include a school district
12 with an October 2011 projected enrollment of greater than 10,000
13 students, which is one of the five districts in the State with the
14 highest percent of failing schools on the effective date of the bill.

15 Under the provisions of the bill, the charter school may, but need
16 not, retain the employees of the failing school it replaced.
17 Employees not retained by the charter school would be eligible for a
18 preferred eligible hiring list and, based on seniority, would be
19 eligible for reemployment in the failing district. In hiring, the
20 charter school is not bound by State tenure laws. All principals,
21 administrators, classroom teachers, and professional support staff
22 hired by the charter school, however, must hold the appropriate
23 certifications.

24 The bill provides that the district of residence must annually pay
25 to the charter school an amount per pupil determined by the charter
26 school and approved by the commissioner. This amount, however,
27 may not exceed 90% of the district’s “per pupil expenditure,” which
28 is defined as the sum of the budget year equalization aid per pupil,
29 budget year adjustment aid per pupil, the prebudget year general
30 fund tax levy per pupil inflated by the CPI rate most recent to the
31 calculation, security categorical aid attributable to the student, a
32 percentage of the district’s special education categorical aid equal to
33 the percentage of the district’s special education students enrolled in
34 the charter school conversion, and if applicable 100% of preschool
35 education aid. The bill also provides that the district must pay to
36 the charter school any federal funds attributable to the student.

37 Any provision of the existing “Charter School Program Act of
38 1995” which is not inconsistent with the provisions of the bill,
39 would be applicable to a conversion charter school.

40 In addition to the provisions regarding charter schools, the bill
41 also permits the creation of up to two transformation school projects
42 in no more than five failing school districts. A “failing school
43 district” would include the same districts included in the charter
44 conversion provisions of the bill.

45 Under the provisions of the bill, no later than one year following
46 its effective date, the board of education of a failing district may
47 apply to the commissioner to be designated a transformation school
48 district. If a district is so designated, then one or more school

S3002 NORCROSS

1 management organizations, with the approval of the board of
2 education, may apply at any time to the commissioner to create up
3 to a total of two transformation school projects in the district. A
4 school management organization is defined as a business entity
5 whose primary purpose is the staffing, operation, and management
6 of school in the United States. The bill provides for one method by
7 which a transformation school project may be created: the school
8 management organization would apply to build, operate, and
9 manage a new school facility or facilities in the transformation
10 school district.

11 The bill provides that the costs of a transformation school
12 project, including the costs of land acquisition, site remediation, site
13 development, design, construction, and any other costs required to
14 place into service the school facility or facilities constituting the
15 transformation school projects, would be the sole expense of the
16 school management organization.

17 If a school management organization seeks to build a school
18 facility on land owned by the Schools Development Authority, the
19 bill provides that the authority may convey the land to either the
20 transformation school district or the school management
21 organization. The conveyance must (1) contain a restriction that the
22 land must be used solely for a school or it will revert to the
23 authority; and (2) be for such consideration and on such terms as
24 the authority determines to be in the best interests of the State.

25 Simultaneous with its application to the commissioner, the
26 school management organization must also submit a construction
27 plan to the executive director of the Schools Development
28 Authority. The executive director has 60 days to accept the plan,
29 reject it, or propose modifications. The executive director is
30 required to provide his recommendation to the commissioner, who
31 will take it into consideration when deciding whether to approve or
32 deny the application for the transformation school project.

33 Under the provisions of the bill, the transformation school
34 district would pay annually to the school management organization
35 an amount per pupil to be determined by the school management
36 organization and approved by the commissioner, but in no event
37 could that amount exceed 90% of the district's "per pupil
38 expenditure," which is defined the same way as it is defined under
39 the provision of the bill regarding conversion charter schools.

40 As with the charter school conversions authorized under the bill,
41 a school management organization in hiring is not bound by State
42 tenure laws, and employees hired for the transformation school
43 projects will be deemed members of the bargaining unit defined in
44 the applicable agreement. All principals, administrators, classroom
45 teachers, and professional support staff, however, must hold the
46 appropriate certifications.

47 The bill states that a transformation school project is a public
48 school. Under the provisions of the bill, a school management

S3002 NORCROSS

1 organization is not subject to the public bidding requirements for
2 goods and services and any contract entered into by the
3 organization is deemed not to be a public contract or a public work.
4 The bill states, however, that a contract entered into by the school
5 management organization is a public work for the purposes of the
6 "New Jersey Prevailing Wage Act" and subject to the applicable
7 provisions of that act.

8 A transformation school project approved under the provisions of
9 the bill, would be authorized for 5 years. The commissioner must
10 annually assess whether each transformation school project is
11 meeting certain goals and improving student achievement. In order
12 to facilitate this assessment, each transformation school project,
13 through its school management organization, must submit an annual
14 report to the commissioner. The commissioner may take specified
15 action if the transformation school project is not meeting certain
16 standards.

17 Five years following the date of the opening of the first
18 transformation school project, the commissioner must report on the
19 efficacy of the schools in educating students and whether additional
20 transformation school districts should be authorized and, if so, how
21 many.