



NEW JERSEY
CHARTER SCHOOLS
ASSOCIATION



JerseyCAN

**Include All Public Schools
In Facilities Funding:
\$900 million needed to
address charter and renaissance
school facilities concerns**

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Introduction: All Public School Children Should Have Access to State Funding to Address Overcrowding and Safety Concerns in Their Schools

In New Jersey, public schools across the state are experiencing significant unmet facilities needs. These range from the need for new classrooms and buildings to alleviate overcrowding to health and safety concerns due to old and decrepit school buildings. These facilities challenges exist for all public schools - whether they are traditional district schools, magnet schools, public charter schools, renaissance schools, or vocational schools.

As state policymakers prepare for the next round of school construction funding, they need to consider the changing landscape of public education in our cities. Public charter and renaissance schools are playing a crucial role in educating students in urban districts throughout the State. In our poorest communities, these tuition-free, open-enrollment, non-profit public schools serve nearly one in five students in New Jersey. It is clear that public charter and renaissance schools are a key part of the educational fabric in our cities and that families and district and city leaders rely on these schools to ensure that all students' needs are met.

This report provides key information that will help policymakers understand the current educational landscape in our cities, as well as new data and estimates on the school facilities needs for public charter and renaissance schools. A survey conducted by the New Jersey Charter Schools Association (NJCSA) and JerseyCAN demonstrates that public charter and renaissance schools will need more than \$900 million over the next decade to serve existing students and meet future enrollment demand. Of this \$900 million, the unfunded facilities needs for public charter and renaissance schools in the state's largest six SDA districts – Newark, Camden, Paterson, Jersey City, Trenton, and Plainfield – totals \$820 million.



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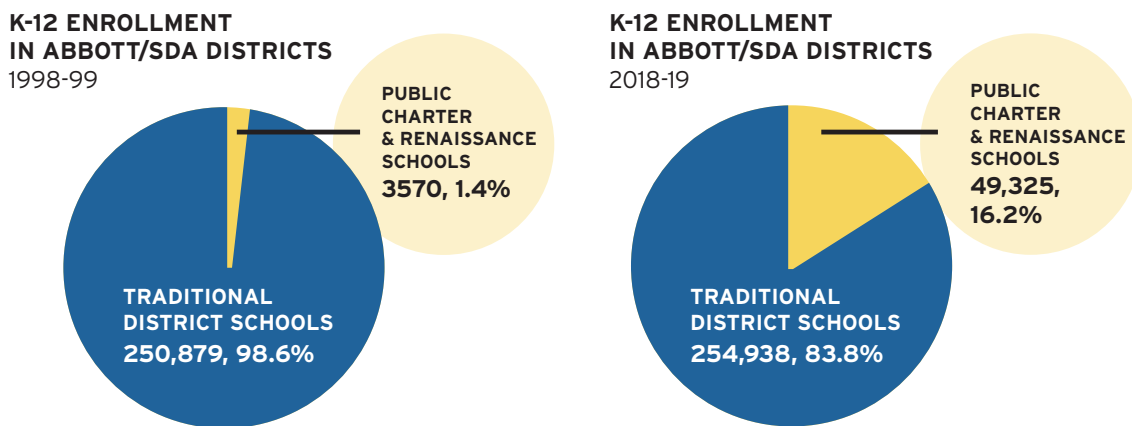
Currently, public charter schools are permitted to use state funding for rehabilitation and expansion of their facilities. (See N.J.A.C. § 6A:11-4.15(a).) However, under current law, public charter schools are not permitted to use state funds for wholly new construction of a school building. This prohibition on the use of state funds for new construction by public charter schools must be lifted.

In addition, there are policy changes for renaissance schools that must be made to grant these public schools access to school construction funding. Most importantly, policymakers need to strike a provision that currently requires that renaissance schools be constructed solely at the expense of the nonprofit entities that run them.

These new estimates and policy reforms should be considered **alongside and in addition** to the needs projected in traditional public schools in former Abbott districts and the regular operating districts. Currently there is no official public report or statement about the cost of unmet school construction needs across the state. State policymakers have the opportunity - and the responsibility - to design an inclusive school construction funding proposal and policies that take into account the needs of ALL public school students in New Jersey.

Public Charter Schools are an Integral Part of NJ's Public Education System

There are currently 91 public charter and renaissance schools serving 60,000 students across New Jersey. The vast majority of public charter schools are located in the Garden State's urban centers, serving more than one third of public school children in Newark. In Camden, charter and renaissance schools serve 60 percent of all public school students. Thousands more children attend public charter schools in Paterson, Trenton, Jersey City, and Plainfield. Since the first public charter schools opened their doors more than 20 years ago, public charter and renaissance schools have grown to serve nearly one in five students in New Jersey's poorest communities.



These high-needs districts, formerly known as Abbott districts (named after a set of landmark court decisions in the 1980s and 1990s, where the New Jersey Supreme Court ruled that the education provided to children in poor communities throughout the state was “constitutionally substandard”) are now known as “SDA districts.” This is because the State, through the Schools Development Authority (SDA), is required to cover the costs of all school building projects within these districts². **However - there is a glaring flaw in how state funding for school facilities has been distributed over the the past 20 years: Public charter and renaissance schools were excluded from facilities funding even though they are serving a significant percentage of public school students that live within the former Abbott/SDA districts.**

New Jersey's public charter and renaissance schools serve students in approximately 170 individual buildings³ and have funded all construction, renovation, and improvement costs out of their annual operating budgets. Public charter and renaissance schools have never received facilities funding from the State - even those educating students in the state's poorest cities. This is particularly notable when we consider that the State is responsible for managing and funding 100% of eligible school facilities projects for their traditional district school counterparts in the 31 former Abbott districts. Since 2000, when the legislature began authorizing funding for school construction, \$8.9 billion has been spent or allocated to facilities construction and renovation projects in the 31 SDA districts, while an additional \$3.45 billion has been granted to 524 school districts for more than 5,400 total projects.⁴

²P.L.2007, c.137. Establishes the New Jersey Schools Development Authority and revises the school construction program established under the “Educational Facilities Construction and Financing Act.”

³Building counts were compiled using Charter School Annual Reports and data provided to NJCSA directly from schools.

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New Jersey’s public charter and renaissance schools spend an average of \$1,547 per student annually to cover the cost of their school buildings out of state and local funding that is intended for classrooms, teachers, and supplies. More than 30 of 44 other states with public charter schools now provide facilities funding while New Jersey still does not.

Another \$150 million was set aside for county vocational schools. Additionally, the State separately spent \$2.4 billion on direct debt-service payments to school districts and municipalities. Public charter and renaissance schools, to date, haven’t received any of the \$15 billion in state facilities and debt service aid despite more than 85% of charter and renaissance school students residing in SDA districts. As a result,

The Findings: \$900 Million Facilities Need for NJ’s Public Charter and Renaissance Schools Over the Next Decade

To quantify both the current and future needs of public charter and renaissance schools, the New Jersey Charter Schools Association and JerseyCAN conducted a school needs assessment survey starting in November 2019. All 91 public charter and renaissance schools were asked to complete a brief questionnaire containing several questions relating to current and future facilities needs and challenges.

The survey found that public charter and renaissance schools will need more than \$900 million over the next decade to serve existing students and meet future enrollment demand. Schools estimate the need for more than 200 school construction or substantial renovation projects in the next decade to provide safe and secure school buildings for the families that they serve.

The survey also highlighted a massive need for access to space and state funding programs or tools to help schools ease overcrowding in their buildings. School safety was also a major concern as public charter schools operate in older, outdated facilities. Many schools reported that the operational dollars being diverted to lease payments, construction, renovation, and capital improvements would otherwise be invested in bolstering teaching staff and expanding special education programs.



⁴ Biannual Report of the New Jersey Schools Development Authority (SDA) for the period April 1, 2019 through September 30, 2019. Pages 23-29. https://www.njsda.gov/NJSDA/Content/public/Biannual_Report/2019_2.PDF

Key findings from the survey include the following:

- **\$942** million will be required to fund public charter and renaissance school construction, renovation, and capital improvement needs in the next decade with **\$687** million estimated for new construction and **\$255** million estimated for renovation, maintenance, and capital improvements.
- More than **200** new construction or substantial renovation projects will be needed over the next **10** years for public charter and renaissance schools to provide safe and secure school environments for their students.
- The biggest facilities challenges faced by public charter and renaissance schools are overcrowding, needs for repairs or upgrades, building safety improvements, and locating adequate buildings.
- **85%** of survey respondents indicated that they plan to initiate at least one new school construction or substantial renovation project in the next **10** years with **46%** of respondent schools estimating the need for more than one project.
- In addition to construction, renovation, and capital improvement spending, public charter and renaissance schools will spend nearly **\$559** million in the next **10** years on lease and mortgage payments for facilities.
- **82%** of public charter and renaissance schools indicate that their education programs currently suffer due to the lack of facilities funding of any kind.
- When asked how schools would invest savings from any new facilities funding, **70%** responded that they would hire, or increase pay for teachers.
- Public charter and renaissance schools statewide currently spend more than **\$120** million annually on rent/lease, mortgage and maintenance costs, 14% of total charter school state aid
 - **\$86.9** million (**\$1,547** per-pupil) is spent on mortgage and lease payments, **10%** of total statewide charter school funding.
 - **\$33.7** million is spent (approx. **\$195,000** per building) on annual maintenance of school facilities, **4%** of total statewide charter school funding.

Survey Background & Methodology

New Jersey's 91 charter and renaissance schools were surveyed to assess current and future facilities needs starting in November 2019. As of February 2020, 58 of the 88 (66%) charter schools statewide responded to the survey representing 42,000 students (70%) from across the State. All three renaissance schools submitted responses to the survey (100%). Results were estimated for schools that did not complete the survey. If a school submitted multiple surveys, the most complete record was used. If all submitted records were complete, numerical data submitted by the school's SBA was favored. Text responses to questions nine and ten were considered for all responses. Numerical data were estimated for non-responding schools. Each non-responding school received a value for each numerical response in line with schools in the same comparative district. Per-pupil figures were calculated by dividing annual spending figures by final June 2019 enrollment figures. Results were cleaned for consistency.

⁵A school's comparative district is the school district from which it receives the largest proportion of its students.

The goal of the survey was to determine reasonable estimates of:

1. Annual spending on rent/lease and mortgage payments;
2. Annual spending on construction, renovation, and capital improvements;
3. Spending on new school construction, substantial renovation and capital improvements over the next decade (2020-2030); and
4. Facilities challenges and their effect on current charter and renaissance school operations.

FIGURE 1: Survey Questions

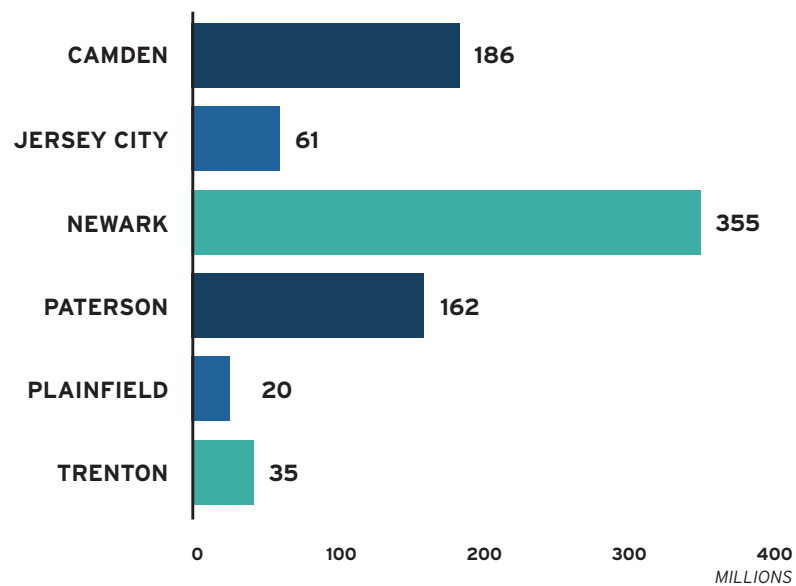
- Q1** How much did your school pay last year (2018-19) to rent facilities?
- Q2** How much did your school pay last year (2018-19) on any loans or bonds for school facilities?
- Q3** How much did your school pay last year (2018-19) to maintain or improve your school facilities?
- Q4** How many new school construction or substantial school renovation projects do you estimate you will initiate over the next 10 years?
- Q5** How much do you estimate you will spend on new school construction over the next 10 years?
- Q6** How much do you estimate you will spend on substantial school renovations, maintenance, and other capital improvements over the next 10 years?
- Q7** How much do you estimate you will spend on leased school facilities over the next 10 years?
- Q8** Do your facilities costs limit the amount you can spend on your education programs?
- Q9** If you received separate aid for facilities like other public schools what's the first thing you would invest the savings into?
- Q10** Please describe any major facilities challenges you are currently facing.

Ten questions were selected to keep the survey brief and to maximize the number of responding schools. Surveys were distributed to School Leaders and School Business Administrators (SBAs) and reminder emails were sent to encourage participation.

Conclusion: All Children Deserve Access to Safe and Secure Schools

All children attending public schools deserve access to safe, secure, and welcoming school environments. Since 1998, when the New Jersey Supreme Court ruled in the Abbott v. Burke (“Abbott V”) case that paved the way for State facilities aid in Abbott/SDA districts, public charter school enrollment has grown by 1,270%. Today, public charter and renaissance schools in Camden serve 59% of all public school students while public charter schools in Newark serve one out of every three public school students. In Trenton, Jersey City, and Plainfield, public charter schools serve one out of every five public school students. Statewide, 50,000 public charter and renaissance school students and their families reside in our poorest cities and are denied access to facilities funds simply because they exercised their choice to attend the public school they felt best served their children. Based on these survey results, the unfunded facilities needs for public charter and renaissance schools in the state’s largest six SDA districts – Newark, Camden, Paterson, Jersey City, Trenton, and Plainfield – totals \$820 million. These six districts serve the largest number of public charter school students in New Jersey.

BIG 6 DISTRICT IMPACT:
Additional Investment Needed By 2030



It is critical for elected officials to ensure that all families, particularly in our poorest cities, get access to safe and secure school buildings that meet students’ needs. The needs of all public schools - whether traditional, charter, renaissance, magnet, or vocational - need to be considered as part of the state’s next round of funding for the SDA.

