CHARTER SCHOOL FACILITIES INITIATIVE

AN ANALYSIS OF THE CHARTER SCHOOL FACILITY LANDSCAPE IN NEW JERSEY

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Colorado League of Charter Schools
focus on achievement

New Jersey Charter Schools Association

National Alliance for Public Charter Schools

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EXECUTIVE SUMMARY

THE NEW JERSEY CHARTER SCHOOLS ASSOCIATION, the Colorado League of Charter Schools, and the National Alliance for Public Charter Schools publish this report entitled "*An Analysis of the Charter School Facility Landscape in New Jersey*," detailing the condition of charter school facilities in the state.

In spring of 2012, these organizations worked to collect evidence that would accurately portray both the adequacy of charter school facilities[1] and the average spending for facilities out of charter schools' operating budgets in New Jersey. Collectively, the results described in this report provide evidence that charter school students in New Jersey do not have access to facilities and amenities comparable to those accessed by traditional public school students.

In order to ensure that the recommendations of this effort were research-based and supported by reliable data, Hutton Architecture Studio—a leader in educational facilities architecture—consulted on the project to provide a set of reasonable expectations for school facilities' size and amenities (see Appendix B for detailed description). The Colorado League of Charter Schools ("the League") is the pioneering organization behind the creation and development of the facilities survey (see Appendix A). The League worked closely with the New Jersey Charter Schools Association to collect the data to produce this report.

Given the alignment of the Facilities Initiative and the goals and data needs of the U.S. Department of Education's (ED) Charter Schools Program (CSP), ED procured additional state surveys, including New Jersey. The National Charter School Resource Center at American Institutes for Research (AIR) [1] is subcontracting with the Colorado League of Charter Schools to collect the data on behalf of the U.S. Department of Education for Idaho, Massachusetts, Michigan and New Jersey.

This report is based on survey, enrollment, and operating revenue data collected for the 2011-2012 school year[2]. Results presented in this report are based on data from the 72 percent of New Jersey's charter schools that completed all or part of a comprehensive facility survey. Participating schools were representative of the state's charter sector as far as the percentage of minorities and low-income students served, grade levels served and per-pupil operating revenue, although, the participating charter schools tended to have smaller average enrollments than did the non-participating schools. Therefore, readers are cautioned that the results may not be necessarily be true for New Jersey's larger charter schools that chose not to participate.

1 "Adequacy" for school facilities was derived from local, regional and national school construction data, as well as best practices in new charter school construction. These standards are presented in Appendix B.
2 Enrollment and per-pupil funding were obtained from the New Jersey Department of Education.

Key findings include:

1. New Jersey's public charter schools spend operating funds on facilities, while traditional public schools do not.

- On average, charter schools in New Jersey spend **$1,418 per student** from designated per-pupil funding/operating revenue, each year, on facilities costs[3]. For the average charter school facility in New Jersey, with an average enrollment of 274 students, this translates into $388,532—**enough to hire more than eight[4] additional teachers (FTE)**.
  - Facilities costs do not include items such as maintenance fees, utility costs, or any other fees assessed by local districts, as those are paid by both traditional and charter public schools.

2. New Jersey charter school facilities do not measure up to local standards.

- **69 percent** of surveyed New Jersey charter school facilities are at least 20 percent smaller than the standard for gross square feet per student (see Appendix B). Students in New Jersey charter schools are likely to attend classes in smaller classrooms and/or facilities that do not have specialized instructional spaces such as a library, science lab, art, or music room that are part of a comprehensive educational program.
  - The standards cited throughout this report were derived from published local, regional and national new school construction data. Judgment based on professional experience with charter and traditional public school design is also factored into these standards (see Appendix B for additional information).

3 Schools were asked to provide the prior years' utilities, maintenance fees, and any other assessed fees in the survey. These amounts were than subtracted from the annual payments for rent, lease, mortgage, or bonds.

4 Using the average salary of a beginning teacher in New Jersey, with a bachelor's degree, of $38,408 (teacher-portal.com), plus 15% for benefit.

3. **New Jersey charter school facilities are outdated.**
   - **74 percent** of New Jersey's public charter schools that participated in this survey reside in buildings that were originally constructed prior to 1970.
   - **33 percent** of surveyed charter schools are in buildings that were not originally constructed as schools.

4. **Physical education and recreational options are limited for New Jersey charter school students.**
   - **86 percent** of surveyed charter schools do not have their own athletic fields or access to one nearby (i.e. immediately adjacent to or across the street from the school site). Likewise, 56 percent of surveyed charter schools with elementary grades do not have their own playground or access to one nearby. This severely restricts charter school students' access to physical education opportunities.

5. **Few New Jersey charter schools have access to underutilized district buildings.**
   - **32 percent** of surveyed New Jersey charter schools reported that there is a district school building nearby that is at least 30 percent underutilized.
   - Yet **only 11 percent** of surveyed charter schools reside in district facilities.

6. **Public charter school demand is high in New Jersey, with over 20,000 students[5] on waitlists for existing charter schools. Yet without comprehensive changes, charter schools will continue to have facility challenges and the situation may worsen – more operating funds may be needed to address facility issues, and the growing number of charter school students will not benefit from the quality facilities that other public school students have come to expect.**
   - **82 percent** of the surveyed New Jersey charter schools plan to increase their enrollment by 2016. The average New Jersey school surveyed that plans to increase enrollment has a current enrollment of 396 students and plans to increase enrollment by 70 percent (or 277 students) between 2012 and 2016. However, more than 54 percent of these schools report that they do not have adequate space to support that growth.
   - **56 percent** of New Jersey charter schools have identified a future growth plan, and report that they will construct or acquire additional space in the next five years.
   - **More than 85 percent** of New Jersey charter schools are in facilities that they do not own and for which they pay rent. These rent payments will go on forever without assistance to purchase or build a facility or gain access to a vacant or underutilized public school building.

5 School leaders were asked to provide the number of age appropriate students that remained on their waitlist following October 1st of the current academic year. While it is possible that some students remained on more than one charter school waitlist, this information was not collected in a way that would capture that information.

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INTRODUCTION

Charter School Facilities Initiative Background

In summer 2007, the Colorado League of Charter Schools ("the League") launched its Facilities 2010 Task Force. The Task Force was established to identify prominent shortcomings in the charter school capital landscape and develop a blueprint of public policy and private sector changes leading to a comprehensive, long-range system of adequate public school facilities or facility funding sources that are accessible to charter schools. At the direction of the Task Force, the League developed a comprehensive Charter School Facilities Survey (see Appendix A) in partnership with a national leader in school facilities, Paul Hutton, AIA, of Hutton Architecture Studio, and local experts in school planning, Wayne Eckerling, Ph.D., and Allen Balczarek.

In April 2008, the first report of the Colorado results was published. As a result of the report, the League was able to successfully obtain more capital construction funds for charter schools, make legislative changes that required school districts to include district authorized charter schools in bond election discussions, and provide for the inclusion of charter schools as eligible applicants in the Colorado Building Excellent Schools Today (BEST) program, a competitive grant program that provides funding to school districts and charter schools for capital construction projects.

Charter School Facilities Initiative Partnership

Seeing the success of the Colorado facilities initiative, the National Alliance for Public Charter Schools ("the Alliance") partnered with the League to use the Colorado facilities survey model in other states to assess the charter facilities landscape across the country. In 2010-2011 the League worked with Georgia, Indiana, and Texas to pilot the initiative across multiple states simultaneously. Following the success of this multi-state initiative, data collection was started in late 2011 in New York and Tennessee.

Given the alignment of the Facilities Initiative and the goals and data needs of the U.S. Department of Education's (ED) Charter Schools Program (CSP), ED procured additional state surveys, including New Jersey. The National Charter School Resource Center at American Institutes for Research (AIR) [1] is subcontracting with the Colorado League of Charter Schools to collect the research and data on behalf of the U.S. Department of Education for Idaho, Massachusetts, Michigan and New Jersey.

The League worked in conjunction with the New Jersey Charter Schools Association to collect the data used to produce this report. All charter schools were asked to complete a survey and allow a charter school support organization (CSO) representative to conduct an onsite measurement of the facility and all educational spaces. Sixty-eight cases[6] (from 59 schools), or 75 percent of New Jersey charter schools participated in some or all of the data collection effort. The participating schools did not systematically differ from non-participating schools in the percentage of minority or low-income students served, the amount of per-pupil funding received, or by whether the schools were part of a network of schools. The participating schools did tend to be smaller than the non-participating schools; with an average enrollment of 247 for participating charter schools and an average enrollment of 362 for non-participating charters.

Charter Schools in New Jersey

New Jersey's charter school statute was enacted in 1995, and the first group of New Jersey charters opened in the fall of 1997. Initially the statute limited the establishment of charter schools to no more than 135 during the 48 months following the effective date of the act. Currently, 80 charter schools with nearly 27,000 students (approximately 1.9 percent of New Jersey's K-12 enrollment) operate throughout New Jersey.

One hundred percent of New Jersey charter schools are authorized by the State Department of Education and a majority (89 percent) of New Jersey's charter schools are independent charter schools. The remaining charter schools are part of charter management organizations[7]. Approximately 75 percent of the charter schools are located in urban areas, 15 percent in suburban areas, and 5 percent in rural areas.

Nearly 90 percent of New Jersey's charter schools serve students in elementary and/or middle school grades, with only 10.6 percent serving high-school grades. In 2011-12, 61 percent of all of New Jersey's charter school students were eligible for free or reduced priced meals, and 78 percent belonged to at least one ethnic minority group.

6 Some charter schools have multiple campuses, such as an elementary and a middle school, that are not on the same site. Others can have multiple campuses, whether related or not, on the same site. A case in this study, therefore, refers to a facility and the number of facilities does not necessarily reflect the number of schools in the state.

7 Charter management organizations are not-for-profit organizations that provide managerial services to a network of similar schools; the North Star Charter School Academies and the TEAM Academy Charter Schools are examples.

Charter School Facilities in New Jersey

According to the New Jersey Charter Schools Association, charter school operators report time and again that facility funding is the single biggest challenge in starting and/or sustaining a school. New Jersey law does not provide new or existing charter schools with access to local public school facilities or facilities funding. Therefore, charter schools are at a disadvantage when compared to the other public schools in the state. New Jersey's law, as with most states across the country, puts the burden of both obtaining and paying for facilities on the charter schools themselves without providing any designated funding for capital costs. As a result, charter schools have struggled to find suitable and affordable facilities. New Jersey charter schools are limited in their ability to address long waiting lists or expand their programs by the availability of facility space or funds to build or purchase larger facilities.

Following the Colorado model, all New Jersey charters schools were asked to complete an extensive and thorough survey asking about their facilities (see Appendix A for a detailed description of the survey). The New Jersey Charter Schools Association led this data collection effort, and provided supplemental data on school enrollment, student demographics and funding. The survey and measurement data were collected between January and March, 2012.

The standards cited throughout this report were derived from published local, regional and national new school construction data. Judgment based on professional experience with charter and traditional public school design is also factored into these standards (see Appendix B). To ensure accuracy in data collection and interpretation, the League consulted with two industry experts; Paul Hutton, an architect and leader in school facilities design and planning and Wayne Eckerling, Ph.D., an expert on charter schools, facilities planning, research, and bond planning and implementation.

KEY FINDINGS

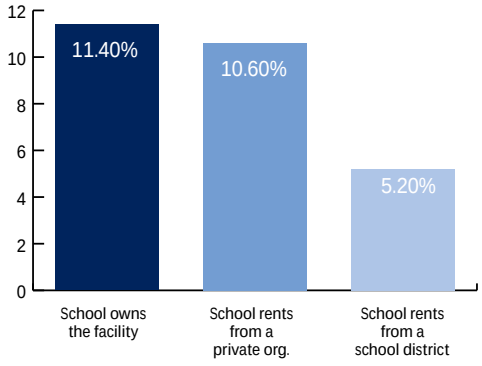
Key Finding #1: New Jersey's public charter schools spend operating dollars on facilities, while traditional public schools do not.

Charter schools are among the few public schools in New Jersey that must spend per-pupil operating revenue to cover the costs of their facilities. Most districts finance new school facilities through bonds that are repaid with revenue from local property taxes that are separate from operating dollars. However, charter schools do not receive access to these local property taxes for capital projects. As a result, charter schools across New Jersey spend money out of their operating budgets on their facilities needs, whether paying on debt service, rent, or a mortgage. Because New Jersey charter schools receive no direct facilities funding, this results in a drop in the remaining funding available for operating expenses (e.g., the purchase of curricular material, paying educator salaries) to a level significantly below traditional public schools' operating revenue.

Results from the facilities survey and New Jersey's 2011-2012 per-pupil revenue data indicate that, on average, charter schools in New Jersey spend $1,418 per student from designated per-pupil operating revenue on facilities[8]. Though this figure varies as a function of whether a school owns its facility or rents; it also varies depending on what type of owner the school is renting from (see Figure 1). Based on the survey data, New Jersey charter schools' average per-pupil facilities costs are:

- $1,629 for charter schools that own their facility.
- $1,406 for charter schools that rent their facility from a private organization.
- $932 for charter schools that rent their facility from a school district.

Figure 1
Percent of Per-Pupil Revenue Spent on Facilities, by Ownership, Rental Status



Adding to the financial burden is that 53 percent of the New Jersey charters surveyed have undertaken a major capital project in the last five years, spending a combined total of nearly $54 million on renovations, repairs, additions to existing facilities and new land or building purchases. Eighty-four percent of these schools have used operating funds to help finance these projects. Per-pupil operating revenue is also one of the likely sources for the up-front funds needed to initiate a long-term bond program, further reducing the funds available for classroom instruction.

8 In this analysis, facilities costs do not include maintenance fees, utilities costs, or any other assessed fees by districts, as those are paid by both traditional and charter public schools.

Key Finding #2: New Jersey charter school facilities do not measure up to the state's standards for educational facilities[9].

Results from the survey found that New Jersey charter school buildings and classrooms are considerably smaller than New Jersey's state standards for educational facilities. This is true even for charter schools that have recently built new school buildings.

- **69 percent** of surveyed New Jersey charter schools are in facilities that are at least 20 percent smaller than the standard for gross square feet per student (see Appendix B for table of size standards).
- **95 percent** of surveyed charter schools are on sites that are more than 20 percent smaller than the standard.
- More than **35 percent** of surveyed charter school classrooms were found to be at least **20 percent below the standard**.

New Jersey charter schools are 20 percent smaller than state and regional standards.

9 The standards cited throughout this report were derived from published local, regional and national new school construction data. Judgment based on professional experience with charter and traditional public school design is also factored into these standards (see Appendix B).

When total facility size is too small, charter schools are challenged to provide the same quality instructional spaces that are enjoyed by other public school students; such as a library, computer labs, or a space exclusively used for a gymnasium or lunch room.

Even when these specialized instructional spaces are present, they frequently do not meet the standards for size and amenities (see Appendix B). Results from the 2012 New Jersey Facilities survey bear this out and are reviewed on page 10 of this report.

Key Finding #3: New Jersey charter school facilities are outdated.

The age and purpose for which buildings are constructed have an impact on the cost of maintainance and the need to update, remodel, or repair the facility. Older buildings pose safety hazards if wiring and structural integrity are not updated. Buildings not originally constructed to be schools may lack adequate amenities, such as playgrounds, gymnasiums, or other features that are present in traditional school buildings.

- **74 percent** of surveyed New Jersey charter schools reside in buildings that were originally constructed prior to 1970.
- **33 percent** of surveyed charter schools are in buildings that were not originally constructed as schools.

Key Finding #4: Physical education and recreational options are limited for New Jersey charter school students.

Physical education and opportunities to participate in sports, both in extracurricular activities and during school time, are an important component of any student's educational program. According to the President's Council on Physical Fitness and Sports, "Physical education in school provides the best opportunity for a child to learn and develop lifelong health and fitness skills. Without opportunities for school physical education, many children have no access to safe, supervised physical activity of any kind." However, due to the lack of access to playgrounds and athletic fields, many New Jersey charter school students do not have access to an appropriate physical education program.

- **Over 55 percent** of New Jersey's surveyed elementary charter schools do not have their own playground or access to one nearby, (i.e. immediately adjacent to or across the street from the school site).

- **86 percent** of New Jersey's surveyed charter schools lack their own athletic field and do not have access to a nearby athletic field.

Key Finding #5: Few New Jersey charter schools have access to underutilized district buildings.

Public school buildings are funded through local tax revenue. By law, public charter schools in New Jersey are not permitted to access local tax dollars. When school district buildings sit empty or go underutilized, charter schools could be granted access to these facilities. This would prevent more taxpayer funds from being spent on additional public school facilities, as well as limit the amount of operational dollars public charter schools spend on securing facilities from private entities. Despite reports of empty and underutilized pubic school buildings, very few New Jersey charter schools have use of them.

- **32 percent** of surveyed New Jersey charter schools reported that there is a district school building nearby that is at least 30 percent underutilized, and five percent reported that there is an unused district building nearby.

- Yet **only 11 percent** of the responding charter schools reside in district facilities.

Key Finding #6: Public charter school demand is high in New Jersey, with over 20,000[10] students on waitlists for existing charter schools.

Without a comprehensive change in charter schools' access to facilities and facility funding, the inequity between traditional and charter public schools may worsen. This is especially true given the potential for growth in the New Jersey charter sector. Not only is the demand high, many charter schools have plans for expansion.

It is possible that some students are on waitlists for more than one charter school, meaning some students are represented more than once in the 20,000 waitlist number. Unfortunately there was no way to account for potential duplicates for the purpose of this survey.

- **82 percent** of the surveyed New Jersey charter schools plan to increase their enrollment by 2016. The average school surveyed that plans to increase enrollment has a current enrollment of 396 students and plans to increase enrollment by 70 percent (or 277 students) between 2012 and 2016. However, more than 50 percent of these growing schools report that they do not have adequate space to grow to their desired enrollment.
  - Much of this growth is due to the fact that many New Jersey charter schools have yet to reach their full enrollment, i.e. a K-8 school that started in year one as a K-2 school with the intent to add a grade each year, may currently be serving K-6, but will still grow by two additional grades. In many instances this growth is reflected in each school's original charter agreement. There are some exceptions where charter schools are seeking to amend their charter and add more students than originally planned, but that is exception, not the rule.
- **56 percent** of the surveyed schools that have identified a future plan report that they plan to construct or acquire additional space in the next five years.

10 Waitlist numbers were based on individual schools' reports of the number of age appropriate students remaining on the waitlist after the first official student count day had occurred. This number potentially includes students that are on more than one charter school's waitlist, but that information was not collected.

ADDITIONAL FINDINGS

Specialized Instructional Spaces

Most instruction during the school day takes place in generic classrooms, however, specialized instructional spaces such as science labs, libraries, and music rooms are an important part of a comprehensive educational program. New Jersey charter schools have a limited number of these types of spaces and, even when present, they frequently do not meet accepted standards (see Appendix B).

The standards cited throughout this report were derived from published local, regional, and national new school construction data. Judgment based on professional experience with charter and traditional public school design is also factored into these standards (see Appendix B for additional information).

- **Over 60 percent** of surveyed New Jersey charter schools do not have a dedicated library space. Of those that do, only 12 percent meet or exceed national, regional, and local size standards for school libraries (see Appendix B).
- **Nearly 40 percent** of surveyed New Jersey middle and high school charters report that they lack true science labs. Among the charter schools that do report having science labs for their middle and high school students, fewer than five percent meet size and utility standards set for school science labs (see Appendix B).
- **Forty-four percent** of surveyed New Jersey charter schools lack a dedicated art classroom and 68 percent lack a music room. Moreover, 35 percent of New Jersey's charter school facilities provide neither an art room nor a music room.

School Environment

Recent studies conducted by Unile and Tschannen-Moran,[11] Tanner,[12] and Duran-Narucki[13] demonstrate a link between the quality of the physical environment within a school facility and students' educational outcomes. Facility characteristics that are believed to have an impact on student learning are: acoustics, access to views through windows, presence of natural day lighting, thermal comfort, and indoor air quality. Questions within the survey asked New Jersey charter school leaders to rate their schools on these aspects. Selected relevant findings follow:

- **50 percent** of New Jersey charter school respondents strongly disagree or disagree that, 'the roof rarely leaks, if ever.'
- **32 percent** of New Jersey charter school respondents strongly disagree or disagree that, 'the site does not exhibit regular drainage problems such as standing water.'
- **48 percent** of New Jersey charter school respondents strongly disagree or disagree that, 'Most of the school's windows have insulated glass (thermal pane).'
- **31 percent** of New Jersey charter school respondents strongly agree or agree that, 'Noise generated from other classrooms or corridors is disruptive in the classrooms,' and 'The temperature in the classrooms is reasonably comfortable throughout the school year.'
- **18 percent** of New Jersey charter school respondents reported that they were closed for one or more student contact days due to facilities-related issues (e.g., broken pipes, non-functioning furnace, air quality issues, etc.) over the last three years. A full third of these schools were closed for nine or more days due to facilities issues.

11 Cynthia Uline, Megan Tschannen-Moran, (2008) "The walls speak: the interplay of quality facilities, school climate, and student achievement", Journal of Educational Administration, Vol. 46 Iss: 1, pp.55 – 73.

12 C. Kenneth Tanner, (2009) "Effects of school design on student outcomes", Journal of Educational Administration, Vol. 47 Iss: 3, pp.381 - 399

13 Valkiria Durán-Narucki (2008). "School building condition, school attendance, and academic achievement in New York City public schools: A mediation model." Journal of Environmental Psychology, Vol 28 Iss: 3, pp 278-286.

CONCLUSIONS AND RECOMMENDATIONS

New Jersey's public charter schools currently serve about two percent of the state's public school students, and are poised to serve more in the coming years. The survey shows that 82 percent of New Jersey's public charter schools plan to increase their enrollment over the next few years. The average school surveyed that plans to increase enrollment has a current enrollment of 396 students and plans to increase enrollment by 70 percent (or 277 students) between 2012 and 2016.

More equitable facilities funding would allow public charter schools to allocate more operational dollars toward core educational items and enhance their ability to provide a well-rounded educational experience for New Jersey's public charter school students.

Based on experiences in other states, there is not one simple way to resolve charters' facilities challenges. The National Alliance for Public Charter Schools' *A New Model Law for Supporting the Growth of High-Quality Public Charter Schools* provides a menu of eight solutions that New Jersey may consider to meet these challenges:

1. **A per-pupil facilities allowance that annually reflects actual average district capital costs.**
2. **A state grant program for charter school facilities.**
3. **A state loan program for charter school facilities.**
4. **Equal access to tax-exempt bonding authorities or allow charters to have their own bonding authority.**
5. **A mechanism to provide credit enhancement for charter school facilities.**
6. **Equal access to existing facilities funding programs available to traditional public schools.**
7. **Right of refusal to purchase or lease at or below fair market value a closed, unused, or underused public school facility or property.**
8. **Prohibition of facility related requirements that are stricter than those applied to traditional public schools.**

State and local governments can provide revenue and other capital assets directly to public charter schools in order to ensure they have adequate facilities. Items #1, #2, and #6 above provide facility revenue options for New Jersey to consider. While equitable funding is critical, the other policy solutions listed above (#3, #4, #5, #7, and #8) may be helpful for New Jersey charter schools—providing support to meet facilities challenges—and should be seriously considered as well. It is important to note that the states that have helped public charter schools the most with their facilities challenges have enacted both policies providing revenue and policies that provide support in facilities acquisition and financing.

New Jersey currently provides little facilities support to public charter schools. According to the National Alliance for Public Charter Schools' *Measuring Up to the Model: A Ranking of State Charter School Laws* (which analyzes and ranks each state charter school law against the model law), New Jersey law only addresses two of the eight facilities components in the model law:

- New Jersey law provides charter schools access to tax-exempt bonds from the New Jersey Economic Development Authority.
- New Jersey law prohibits facility related requirements that are stricter than those applied to traditional public schools, via commissioner waivers.

Providing public charter schools access to affordable and adequate facilities in the following ways can better support the likely growth of the New Jersey public charter school sector over the next few years:

- **Provide direct funding to public charter schools for their facilities costs:** One option is to provide a per-pupil facilities allowance that annually reflects actual average district capital costs. For example, Washington D.C. provides public charter schools with approximately $2,800 per-pupil for facilities. A second option is to create a state grant program for public charter school facilities. For example, Indiana law established the charter school facilities assistance program to make grants and loans to public charter schools for the purpose of constructing, purchasing, renovating, maintaining, and paying first semester costs for new facilities projects, and reducing common school fund debt for public charter schools. Indiana provided $17 million to this program in 2011.
- **Provide loans to public charter schools for their facilities costs:** One option is to create a state loan program for public charter school facilities. Utah law provides a charter school revolving loan fund that provides loans to public charter schools for the costs of constructing, renovating, and purchasing public charter school facilities. This fund is capitalized at $6,000,000. Washington D.C. also has such a fund which is currently capitalized at over $30,000,000.
- **Enhance public charter school access to bonds:** New Jersey law provides that public charter schools are eligible for tax-exempt facilities financing using Nonprofit Facilities Revenue Bonds issued by the New Jersey Housing and Financing Association. One option for enhancing public charter school access to financing would be to provide public charter schools with access to the New Jersey School Bond Guarantee Act. For example, Connecticut has provided $20 million in bond financing to support public charter school facilities, dispersed through a competitive application process.
- **Create a mechanism to provide credit enhancement for public charter school facilities:** Colorado, for example, provides a mechanism for limited credit enhancement for eligible,

highly rated bond transactions for public charter schools by using the state's moral obligation to back up to $400 million in debt. In addition, Texas allows open-enrollment public charter schools that have an investment grade rating and meet certain financial criteria to apply to have their bonds guaranteed by the Permanent School Fund. This has resulted in charter bonds being backed by the full, faith, and credit of the state, putting public charter schools on par with school districts and allowing them to achieve AAA ratings.

- **Improve access to surplus district space:** As mentioned above, New Jersey law gives school districts the authority to authorize the transfer or conveyance of any surplus district-owned property to various public entities including charter schools, but can improve this practice by giving charters the right of refusal and offer to purchase or lease surplus space. For example, Indiana law requires school districts to provide a list of buildings that are closed, unused, or unoccupied for a period of two years to the state department of education and make them available for lease or purchase to any public charter school. If a public charter school wishes to use a school building on the list, the school district must lease the building for $1 a year for a term at the public charter school's discretion or sell the building for $1. The public charter school is required to use the building for classroom instruction no later than two years after acquiring the building. If during the term of the lease, the public charter school closes or ceases using the school building for instruction, the building will be placed again on the state department of education's list. There is already some precedent of such practices in New Jersey. Currently, four charter high schools lease space for very modest rates from the districts in which they are located.

- **Improve access to existing state programs for traditional public school facilities:** The New Jersey Bond Levy Equalization Support Program provides that certain school districts are eligible to receive additional state financial assistance for the cost of annual bond interest and redemption payments made on bonds passed on or after September 15, 2002. It also provides that certain school districts are eligible to receive no less than 10 percent of the interest cost portion of the annual bond interest and redemption payment. This program could be changed to also provide a small margin of compensation for high interest rates paid by public charter schools for conventional commercial loans or public market bonds.

The results of the 2011-12 New Jersey Charter School Facilities Study indicate that students attending New Jersey public charter schools are not currently housed in facilities equitable to traditional public school facilities and that public charter schools are spending an average of 10 percent of their operational funds on buildings rather than on teachers or other classroom purposes.

By ensuring facilities equity for all New Jersey public schools, public charter schools could widen programming options, increase the quality of the educational experience for students, and increase the number of seats available to waitlisted students.

APPENDIX A

Methodology

Questionnaire Development

A critical first step to gathering the best possible set of objective data and information about charter school facilities and facility needs was to develop a comprehensive questionnaire.

To accomplish this, the Colorado League of Charter Schools commissioned Hutton Architecture Studio. The firm's principal architect, Paul Hutton, AIA, has designed a variety of schools and is known for his creative, cost effective, and environmentally conscious facilities. Hutton has designed numerous new charter schools and charter school additions. Wayne Eckerling, Ph.D., a former assistant superintendent with the Denver Public Schools with responsibilities for supervision of charter schools, educational planning, and research, was also selected to assist in the design of the survey and analysis of the data. In addition to his public school facilities expertise, Dr. Eckerling has experience with general obligation bond planning and implementation.

The draft questionnaire was reviewed by the League's facility task force, League staff, and others with expertise in school construction and educational policy. A draft questionnaire was then field tested with a small group of charter schools to ensure clarity and comprehensiveness of the items. Further revisions to the questionnaire were made based on the feedback from all participating Colorado schools and survey results. The revised base survey and state-specific questions were then administered in Georgia, Indiana and Texas. Extensive feedback was solicited from these states' Charter Support Organizations and schools, resulting in further revisions to the Colorado League of Charter Schools' base survey.

Topics addressed include the following:

- Demographic information including grades served, year of inception, and number of students on the waiting list.
- Future facility plans.
- Shared use information.
- Facility information including year of construction and site size.
- Facility ownership, financing, and annual payments.
- Facility and classroom size and information technology resources.
- Facility amenities such as gymnasiums, lunch rooms, libraries, and playgrounds.
- Facility adequacy, condition, and maintainability.
- Facility funding.

The questionnaire includes more than 145 items with some requiring multiple responses.

New Jersey Survey Procedures

The Colorado League of Charter Schools' base questionnaire was revised to address New Jersey-specific issues through a collaborative effort of the New Jersey Charter Schools Association, the Colorado League of Charter Schools, Mr. Hutton, and Dr. Eckerling. To ensure both timely and accurate responses, the New Jersey Charter Schools Association and their consultants assisted schools with completing the questionnaires. Submitted questionnaires were reviewed again for accuracy and completeness. Follow-up was done with the schools as necessary. While the completed questionnaires are the primary source of information for this study, information from the New Jersey Department of Education was used to provide data on pupil membership, per-pupil funding and free and reduced price lunch eligibility.

APPENDIX B

School Facility Standards

This section provides information about the standards used in this report. These standards were derived from more than a decade of published regional and national new school construction data, and other sources including the New Jersey facility efficiency standards that are contained in the New Jersey Long Range Facility Plan Guidelines. Judgment based on professional experience with charter and public school design is also factored into the standards as are site, facility and classroom standards used in a number of states. The standards are intended to be neither excessively generous in allocating space nor unnecessarily limiting to charter school opportunities.

The process for developing facility standards began with published regional and national new school construction data and then incorporated New Jersey facility efficiency standards. This data is based on enrollments that average between 500 and 1,800 students. Since many charter schools may not reach these levels of enrollment even when their program capacity is realized and a few may even exceed these enrollments, the standards were extended to account for a much broader range of enrollments while at the same time taking into account minimum sizes necessary for a base level of educational adequacy. Standards were also compared to some state and district standards to verify validity. Standards for schools with enrollments of 200, 500, and 800 students are shown in Table 1.

Table 1. Total School Facility Standards (gross square feet per student)

	200 Students	500 Students	800 Students
Grades K-5	166	142	117
Grades K-8	168	149	130
Grades K-12	170	159	149
Grades 6-8	172	161	149
Grades 6-12	177	171	164
Grades 9-12	184	179	173

Site standards were derived from the gross square footage standards described above by taking into account the fairly consistent relationship between building and site size. Again, particularly for smaller enrollments, educational adequacy was also taken into account. Again, derived standards were then compared to those used in other states and districts to ensure their validity. Site size standards are shown in Table 2 for three different enrollment levels.

Table 2. School Site Standards (acres)

	200 Students	500 Students	800 Students
Grades K-5	4.2	9.0	11.9
Grades K-8	5.5	12.1	17.0
Grades K-12	5.3	12.4	18.5
Grades 6-8	5.2	12.2	18.2
Grades 6-12	5.2	12.4	19.1
Grades 9-12	5.4	13.2	20.4

General classroom standards are shown in Table 3. These standards were derived from New Jersey facility efficiency standards and take into account standards used in other states and districts as well as best practice based on professional experience with charter and public school design. Adjustments were made for Montessori and Expeditionary Learning programs to reflect that larger classrooms are required to implement these educational programs.

Table 3. General Classroom Standards (square feet per student)

Grade K	45
Grades 1-3	40
Grades 4-5	38
Grades 6-8	35
Grades 9-12	31

Standards for specialized instructional spaces like libraries, computer rooms, science labs, art rooms, music rooms, special education classrooms, gymnasiums, and lunch rooms also were developed using a process similar to the one used for general classrooms. Many of the standards below are based on formulas to accommodate the potential for smaller or larger enrollments, as previously outlined, and then take into consideration educational adequacy. Some of these standards are shown below. Lunch room standards assume three lunch periods.

Table 4. Specialized Instructional Spaces

	Elementary	Middle	High
Gymnasium	3,000 SQ FT	5,400 SQ FT	7,300 SQ FT
Science Lab/Class	40 SQ FT / Student	54 SQ FT / Student	54 SQ FT / Student
Art	30 SQ FT / Student	35 SQ FT / Student	43SQ FT / Student
Library	SQ FT = 500 + 3.39* enrollment	SQ FT = 500 + 3.89* enrollment	SQ FT = 500 + 4.99* enrollment
Lunch Room	SQ FT = 750 or 5 * enrollment, whichever is larger		

Charter School Facilities Initiative: An Analysis of the Charter School Facility Landscape in New Jersey,
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