

SENATE, No. 1537

STATE OF NEW JERSEY 208th LEGISLATURE

INTRODUCED DECEMBER 10, 1998

Sponsored by:

Senator GERALD CARDINALE

District 39 (Bergen)

SYNOPSIS

Establishes a five-year tuition voucher pilot program and appropriates \$5.5 million.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT establishing a tuition voucher pilot program and making an
2 appropriation.

3
4 BE IT ENACTED by the Senate and General Assembly of the State
5 of New Jersey:

6
7 1. The Legislature finds and declares that:

8 a. School tuition vouchers may serve as a vehicle for education
9 reform by providing all parents with the ability to select the school and
10 education program which best suits their children's individual needs.
11 Increasing parental involvement and satisfaction with their children's
12 educational program and environment will have a positive effect on the
13 education of those children. In addition, school choice will provide an
14 incentive to all schools, both public and private, to improve their
15 educational programs and services and become more efficient and
16 innovative; and

17 b. In order to responsibly assess the merits of tuition vouchers, a
18 limited pilot program should be established which incorporates
19 adequate controls and is subject to meaningful evaluation.

20
21 2. For the purposes of this act, unless the context clearly requires
22 a different meaning:

23 "Eligible school district" means any school district which has been
24 approved by the Commissioner of Education to participate in the pilot
25 program.

26 "Parental Information Center" means an office in each eligible
27 school district which disseminates and receives tuition vouchers and
28 provides interested parents with information describing educational
29 options available for their children under this act.

30 "Participating nonpublic school" means a nonpublic elementary or
31 secondary school which:

- 32 a. elects to receive voucher pupils;
33 b. charges tuition or fees for its services;
34 c. was established before September 1995;
35 d. is located within the same county as the eligible school district;
36 e. has staff and students who are currently designated by the
37 Department of Education as eligible to receive publicly funded
38 services;
39 f. complies with all State and federal standards applicable to
40 nonpublic schools; and
41 g. complies with all other requirements imposed by this act.

42 "Participating public school" means any public school within the
43 same county as an eligible school district, which elects to receive
44 voucher pupils pursuant to N.J.S.18A:38-3. "Participating public
45 school" also means any public school within the eligible school district
46 which has been designated by the eligible school district to participate

1 in the pilot program pursuant to procedures established by the eligible
2 school district.

3
4 3. The Commissioner of Education shall establish a tuition voucher
5 pilot program in each eligible school district beginning in the first full
6 school year following the effective date of this act. The pilot program
7 shall allow children residing in an eligible school district to attend a
8 participating nonpublic school or a participating public school and
9 have the tuition paid, in full or in part, with a school tuition voucher.
10 The tuition voucher redemption shall be based solely on the parent's
11 or guardian's decision to enroll the child in a nonpublic or public
12 participating school.

13
14 4. a. The municipal governing body in a Type I school district, the
15 local board of education in a Type II school district, or the State
16 district superintendent in a State-operated school district shall file an
17 application with the Department of Education in order to participate
18 in the pilot program. The commissioner shall require each application
19 to include eligibility criteria for tuition voucher redemption which
20 shall take into account the financial ability of the pupil's family to meet
21 the cost of tuition at the nonpublic or public participating school.

22 b. There shall be a maximum of one eligible school district per
23 county. The commissioner shall appoint an eligibility review panel to
24 consider applications and make recommendations to him for the final
25 decision. The panel shall base its recommendations on, but not be
26 limited to, the following criteria:

- 27 (1) merit as a pilot site;
28 (2) net cost to the district or State;
29 (3) establishment of a representative sample of districts; and
30 (4) practical capacity of the participating schools.

31 Prior to making a final recommendation to the commissioner on an
32 application, the panel may suggest that the district modify the
33 application.

34 c. During the pilot program, the commissioner may terminate the
35 pilot program in an eligible school district at the end of any school
36 year, at the request of the entity that applied to participate in the pilot
37 program pursuant to this section and upon recommendation of the
38 eligibility review panel.

39
40 5. a. In each year of the pilot program, parents and guardians of
41 children residing in an eligible school district, in the grade levels and
42 schools determined by the commissioner pursuant to the district's
43 application and the eligibility panel's review, shall be provided tuition
44 vouchers by the district's Parental Information Center.

45 b. The amount of the tuition voucher in each eligible school district
46 shall be no more than \$8,500 for pupils in grades kindergarten through

1 8 and \$10,000 for pupils in grades 9 through 12. However, the tuition
2 voucher given to the parent or guardian of a pupil pursuant to this
3 section shall not exceed the tuition rate established by the participating
4 school for the year of attendance.

5 c. The parent or guardian shall submit, by June 1 of the preceding
6 school year or such other date as the commissioner deems appropriate,
7 the tuition voucher along with evidence that the pupil is enrolled in a
8 participating school to the Parental Information Center in the eligible
9 school district, which shall forward it to the Department of Education.

10 Except as provided in subsection d. of this section, the tuition voucher
11 shall be redeemed through checks from the department made payable
12 to the parent or guardian. The department shall issue an initial check
13 in an amount equal to one-fifth of the voucher amount on September

14 1. An additional check equal to one-fifth of the tuition voucher
15 amount shall be forwarded to the parent or guardian on the fifteenth
16 day of October, December, February and April upon proof of tuition
17 payment and continued attendance. If a voucher pupil ceases to attend
18 the participating school, the parent or guardian shall immediately
19 notify the Parental Information Center and all further installment
20 payments shall be withheld. The parent or guardian shall be
21 responsible for full payment of tuition. For economically
22 disadvantaged voucher pupils attending the participating school, the
23 participating school may waive the amount of tuition which exceeds
24 the tuition voucher.

25 d. If a tuition voucher is redeemed in order to attend a public
26 school within the eligible school district, the department shall not issue
27 a check to the parent or guardian and no further tuition shall be
28 required for attendance. If a tuition voucher is redeemed in order to
29 attend a participating public school outside of the district, the
30 department shall not issue a check to the parent or guardian but shall
31 credit the tuition voucher amount to the participating school on behalf
32 of the pupil, and the parent or guardian shall be responsible for the
33 difference in tuition.

34 e. If a parent or guardian fails to choose a school pursuant to this
35 section, the child shall be enrolled in the public school of the district
36 of residence.

37 f. Pupils using a tuition voucher to attend a nonpublic school or
38 public school outside of a eligible school district shall not be included
39 in the resident enrollment of the eligible school district for the school
40 year of transfer and each school year thereafter during which the pupil
41 is attending the nonpublic school or the public school outside of the
42 eligible school district. The commissioner shall make the necessary
43 adjustments to the resident enrollment and State aid entitlement of the
44 eligible school district in order to account for voucher pupils attending
45 a participating school under this act.

46 g. The parent or guardian shall provide the commissioner with the

1 information necessary to conduct the evaluation and reporting required
2 pursuant to the provisions of this act, including requesting and making
3 available the voucher pupil's records such as those concerning
4 attendance and academic achievement. If the parent or guardian
5 refuses to provide the information, the department is authorized to
6 prohibit further participation in the pilot program by the parent or
7 guardian.

8 h. Each Parental Information Center shall make reasonable efforts
9 to notify the public of all requirements necessary for participation in
10 the pilot program established pursuant to this act.

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12 6. Funds provided to a parent or guardian pursuant to this act shall
13 not be considered income to the recipient for State income tax
14 purposes.

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16 7. The commissioner is authorized to take such steps as may be
17 necessary to recapture from the parent or guardian of a voucher pupil
18 any funds provided under this act which are not used to pay tuition at
19 the participating school, plus a penalty equal to two times the amount
20 of the misapplied funds. The commissioner is authorized to institute
21 proceedings under "the penalty enforcement law," N.J.S.2A:58-1 et
22 seq., in order to recapture the funds not expended in accordance with
23 this act plus the amount of any penalty.

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25 8. During the pilot program the commissioner shall not impose any
26 additional requirements beyond those contained in this act upon
27 participating nonpublic schools unless those requirements also are
28 imposed upon nonparticipating nonpublic schools under State or
29 federal law.

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31 9. Transportation shall be provided to voucher pupils attending a
32 participating nonpublic school or a public school outside of the eligible
33 school district pursuant to the provisions of N.J.S.18A:39-1 applicable
34 to nonpublic school transportation.

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36 10. a. An evaluation shall be conducted to determine the
37 effectiveness of the pilot program. The evaluation shall focus upon
38 attendance rates, dropout and graduation rates, parental and student
39 satisfaction, parental involvement, and student academic achievement.
40 Statistics on the socioeconomic status of voucher recipients shall also
41 be kept for academic purposes. The evaluation, and accumulation of
42 data, shall be performed by the commissioner, with the assistance of
43 an evaluation and research advisory committee appointed by the
44 commissioner.

45 b. On or before January 1st of each year, the commissioner shall
46 make a status report to the Governor and the Legislature on the

1 evaluation of the pilot program.

2 c. The commissioner shall recommend to the Governor and the
3 Legislature by January 1 of the last school year of the pilot program,
4 whether the tuition voucher pilot program should be continued,
5 expanded, modified or terminated.

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7 11. There is appropriated from the General Fund the sum of
8 \$5,500,000 to the Department of Education to effectuate the purposes
9 of this act. This amount shall be in addition to any State aid to which
10 a school district may be entitled pursuant to P.L.1996, c.138
11 (C.18A:7F-1 et seq.) or any other law. The Department of Education
12 shall seek other sources of public funding and may accept private
13 contributions. The applicant district or municipality is authorized to
14 contribute local funds to supplement the pilot program in the district.

15

16 12. A public school which loses 10% or more of its enrollment as
17 a result of the implementation of the tuition voucher pilot program
18 shall be exempt from all tenure laws and all State regulations
19 concerning public schools, except those regulations pertaining to
20 assessment, testing, civil rights and student health and safety, for the
21 duration of the program. The exemptions from State regulations will
22 maximize the management prerogatives available to reformulate the
23 educational program of the school and thereby help to attract pupils.

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25 13. This act shall take effect immediately and shall expire on June
26 30th of the fifth full school year following enactment.

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29 STATEMENT

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31 This bill establishes a five-year tuition voucher pilot program that
32 will allow children residing in an eligible school district to attend a
33 participating nonpublic school or a participating public school and
34 have the tuition paid, in full or in part, with a school tuition voucher.

35 Pursuant to the bill, the municipal governing body in a Type I
36 school district, the local board of education in a Type II school
37 district, or the State district superintendent in a State-operated school
38 district will file applications with the Department of Education in
39 order to participate in the pilot program as an eligible school district.
40 There will be a maximum of one eligible school district per county.
41 An eligibility review panel, appointed by the Commissioner of
42 Education, will consider applications and make recommendations to
43 the commissioner for final decision.

44 The bill provides that a pupil who is in a grade level and school
45 within an eligible school district that has been determined by the
46 commissioner as eligible to participate in the pilot program, will be

1 able to choose to attend either a participating nonpublic school or a
2 participating public school. A participating nonpublic school will be
3 located in the same county as the eligible school district. A
4 participating public school is defined as a public school that elects to
5 receive vouchers and is located in the same county as the eligible
6 school district or a public school within the eligible school district
7 which has been designated by the eligible school district to participate
8 pursuant to procedures established by the eligible school district. The
9 vouchers will be provided to the parents or guardians of the pupils by
10 the eligible school district's Parental Information Center, one of which
11 will be located in each eligible school district. The amount of the
12 tuition voucher will be no more than \$8,500 for pupils in grades
13 kindergarten through 8 and \$10,000 for pupils in grades 9 through 12,
14 however, in no case will the voucher exceed the tuition rate
15 established by the participating school.

16 The parent or guardian will submit the voucher along with
17 evidence that the pupil is enrolled in a participating school to the
18 Parental Information Center in the eligible school district, which will
19 forward it to the department. In the case of a pupil attending a
20 participating nonpublic school, the voucher will be redeemed through
21 checks from the department to the parent or guardian. The
22 department will issue five checks, each equal to one-fifth of the
23 voucher amount, in September, October, December, February and
24 April of the school year, upon proof of tuition payment and continued
25 attendance.

26 If a voucher is redeemed in order to attend a public school within
27 the eligible school district, the department will not issue a check to the
28 parent or guardian and no further tuition will be required for
29 attendance. If a voucher is redeemed in order to attend a participating
30 public school outside of the district, the department will not issue a
31 check to the parent or guardian but will credit the voucher amount to
32 the participating school on behalf of the pupil, and the parent or
33 guardian will be responsible for the difference in tuition.

34 Pupils using a tuition voucher to attend a nonpublic school or
35 public school outside of a eligible school district will not be included
36 in the resident enrollment of the eligible school district for the school
37 year of transfer and each school year thereafter during which the pupil
38 is attending the nonpublic school or the public school outside of the
39 eligible school district. The commissioner will adjust the resident
40 enrollment and State aid entitlement of the eligible school district in
41 order to account for pupils attending a participating school.

42 The bill provides for an evaluation of the pilot program to
43 determine its effectiveness, performed by the commissioner with the
44 assistance of an evaluation and research advisory committee appointed
45 by him. The evaluation will focus on attendance rates, dropout and
46 graduation rates, parental and student satisfaction, parental

1 involvement, and student academic achievement. On or before January
2 1st of each year, the commissioner will make a status report to the
3 Governor and the Legislature on the evaluation. The commissioner
4 will also recommend to the Governor and the Legislature by January
5 1 of the last school year of the pilot program, whether the tuition
6 voucher pilot program should be continued, expanded, modified or
7 terminated.

8 The bill provides a \$5.5 million appropriation to the Department of
9 Education to effectuate the purposes of the bill. The department is
10 also required to seek other sources of public funding and is permitted
11 to accept private contributions.

12 A public school which loses 10% or more of its enrollment as a
13 result of the implementation of the tuition voucher pilot program will
14 be exempt from all tenure laws and all State regulations concerning
15 public schools, except those regulations pertaining to assessment,
16 testing, civil rights and student health and safety, for the duration of
17 the program. The exemptions from State regulations that will be
18 provided to these public schools are intended to maximize the school's
19 management prerogatives so that the school can reformulate its
20 educational program in order to attract pupils and compete with the
21 participating nonpublic schools.

22 The bill would become effective immediately and expire on June
23 30th of the fifth full school year following enactment.