THE FUTURE OF THE CAMDEN CITY SCHOOL DISTRICT (CCSD)

WORST TO FIRST – CAN IT HAPPEN?

CAN THE UNDERPERFORMING CAMDEN PUBLIC SCHOOL SYSTEM SET AN EXAMPLE FOR EFFECTIVE URBAN SCHOOL REFORM FOR THE COUNTRY?

- History, Performance and Future of Camden New Jersey Schools.


- Can the Creative Changes to Providing Education to Disadvantaged Children in Camden Set an Example for the Rest of the Country?

September 17, 2015

Prepared by the New Jersey School Choice and Education Reform Alliance
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INTRODUCTION – Camden City School District (CCSD)*: a history of failure, but now a national example for urban school reform?

Camden, New Jersey is one of the poorest, most crime ridden cities in the country, with one of the most expensive and poorly performing school districts in the country. Various state wide and local reform efforts have been tried for decades with little impact. However, new reform efforts are underway that may have dramatic, positive impacts on the futures of Camden’s children. One result of these changes will be a significant reduction in the size of the traditional CCSD. This raises many policy issues, with significant impacts for current district employees and for the national debate on effective school reform. What is happening in the CCSD has national significance for it might show a way to provide effective educational opportunities for disadvantaged children, or it might be another failed “reform” effort.

Consider the realities of Camden and the CCSD:

- Camden is the first or second poorest city in the country with one of the highest crime rates;
- Camden has about 14,000 K-12 students; about 4,000 are in traditional charter schools; and about 10,000 are in the traditional public district schools;
- In the fall of 2014 a new type of school started to operate in Camden, called Renaissance schools. Renaissance schools are similar to charter schools in that they are independently operated, are likely to be non-union, and are funded based on enrollment. But unlike charter schools, they have to accept all children in their local “catchment” area;
- Critical to the future of the CCSD, the authorized enrollment of the new Renaissance schools is about 9,700 students. It is possible that 100% of children in Camden could be in traditional charter or Renaissance schools in five to seven years. Alternatively, it is possible that the CCSD can maintain a third or a half of its current student enrollment;
- Current spending in CCSD is about $25,000/student. If CCSD enrollment shrinks faster than spending reductions, per student spending in CCSD could increase significantly (to $40,000/yr or more), which is unlikely to be sustainable.

Some do not think that charter and Renaissance enrollment will increase at high rates, and that the CCSD will still be a significant provider of educational services in Camden. If the CCSD improves its performance, they may be correct. Others are very concerned about the impact on special education and ESL students and transferees into the district. All of these policy and practical issues are of national significance as they may demonstrate how to reform a district like Camden, or provide another example of failed reform ideas.

* We are using the term Camden City School District (CCSD) or “district” to refer to the traditional district-operated public schools as opposed to public charter and public Renaissance schools.
Key to the potential success of reforms in Camden is the VISION of school reform being implemented by the State of New Jersey and CCSD’s new superintendent, Paymon Rouhanifard. The vision of school reform being implemented is based on having a multi-sector system of schools focused on providing parents and children with a wide range of high performing schools from which to choose. These may include improved traditional CCSD schools, charter schools, Renaissance schools, county schools, “re-entry” schools for dropouts, and other new and innovative schools. The creation of this market based system of schools includes:

- Improved CCSD schools under the direction of the new superintendent, and possibly other new schools under the CCSD for underserved student populations;
- Expansion of independently operated schools such as charter schools and Renaissance schools;
- Building a child and parent based school system that always puts the needs of children ahead of adults;
- Eliminating the “walls” between the CCSD and other education providers in and around Camden;
- Ensuring that independently operating schools are fairly funded and have the ability to innovate on all aspects of education delivery including curriculum, testing, staffing, technology, facilities, governance, etc.
- Funding all schools based on enrollment with a financial system where the “dollars follow the child”.

Creating a new system of schools in Camden raises numerous policy questions:

- Will the CCSD be able to compete for students with existing and new providers?
- Can the CCSD significantly increase student educational outcomes at reasonable costs?
- What specific implementation recommendations can be made to increase the performance of a “system of schools” in Camden?
- Will special education and ESL students be adequately educated in a system of schools with school assignments largely controlled by parental choice?
- If the CCSD is reduced in size significantly (which seems likely), how will the number of adults in the system be reduced?
EXECUTIVE SUMMARY

A. The Opportunity: Changes in governance and operations of schools in Camden are providing an opportunity to provide high quality education opportunities and outcomes in one of the poorest cities in the country;

B. The Problem: Camden is one of the poorest cities in the country, with a history of high crime levels; extremely high spending on schools ($25,000/student/year) and very low educational outcomes for its children (for example, barely one in seven first graders typically graduate from high school, and fewer attend college).

C. The Trends:
   - The Camden police force was disbanded in 2013 and replaced with a county based force; the result has been significantly reduced crime levels;
   - While the charter schools in Camden have been growing for over ten years, in 2012 a new type of school called Renaissance schools was approved for Camden; Renaissance schools are similar to charter schools in many ways, and started to operate in the fall of 2014. While their enrollment will grow slowly, they have authorized enrollment equal to the current total enrollment of the traditional CCSD.
   - Renaissance schools solve some problems that charter schools cannot including:
     1. They have to accept all students from their local catchment area, so they are more likely to be a neighborhood school;
     2. They are funded at 95% of local school per pupil funding, not the typical 65% of charter schools;
     3. They have access to public funds for facility construction;
     4. They operate under a contract with the local district, not a state charter, so the local district has more control over their location, size, and other aspects of their operation. Note: this may be a good thing, or not, depending on the objectives of the local district.
   - The State of New Jersey has taken over the CCSD and installed a new superintendent with wide authority to manage change in the CCSD.
   - Adult employment in the CCSD is and will be significantly reduced.

D. National significance: Success in changing the CCSD by implementing a multi-sector system of high quality schools can break the multigenerational cycle of poverty in Camden. This could demonstrate that we do not have to cure poverty to have good schools, but that the reverse is true—the only way to cure poverty is to have good schools and educate all of our children to a high standard.

E. A New Urban Education Vision: State-sponsored strategic changes to the CCSD are working to achieve a new, broader vision of an urban school system.
   - Implement a multi-sector system of schools that allows parents to choose among a wide range of independently operated schools;
• Build a child and parent based school system that always puts the needs of children ahead of the adults in the school system.
• Eliminate the “walls” between the CCSD and other education providers in and around Camden;
• Ensure that independently operating schools are fairly funded and have the ability to innovate on all aspects of education delivery including curriculum, testing, staffing, technology, facilities, governance, etc.

F. Policy questions:
• Will the CCSD be able to compete for students with existing and new providers?
• Can the CCSD significantly increase student educational outcomes at reasonable costs?
• What specific implementation recommendations can be made to increase the performance of a “system of schools” in Camden?
CHAPTER I – Identifying the plight of the children in the Camden City School District and past school reform efforts:

A. PLIGHT OF CHILDREN IN CAMDEN

Student achievement in the Camden City School district (CCSD) is among the worst in the nation despite spending almost 40% more per pupil than the state average and more than 80% more than the national per pupil spending average (Camden Board of Education, 2012). Twenty-three of the 27 schools in the district are among the 75 lowest performing schools in the state. New Jersey’s performance on national reading, writing, and math tests places it in the top 10% of states (Darling-Hammond, 2010). However, those achievements are not evenly distributed across the state.

On the 2011 High School Proficiency Assessment (HSPA), Camden’s two main high schools were the two lowest performing schools in the state. Between those two schools, more than 60% of all seniors scored below proficient on the literacy test and more than 88% of all seniors scored below proficient on the math test (NJ Department of Education, 2011a,b). The dropout rate from the two main high schools is 50% (NJ Department of Education, 2011a, b). Of those who do graduate, less than half passed both the reading and math sections of the HSPA. Statewide more than 80% of high school students pass the HSPA. Even compared to districts with similar socioeconomic characteristics, Camden students achieve at about half the rate that students in other impoverished districts do (Camden Board of Education, 2012b).

CCSD operates in a challenging environment. Camden City, with a total population of just over 77,000 residents, is one of the poorest cities in the nation and suffers from high unemployment, a thriving illegal drug trade, high rates of violence, and low levels of education among adults. In 2010, 47.5% of households with children lived under the poverty line (CamConnect, 2012). Only 62% of adults over the age of 25 have a high school diploma and less than 7% have a bachelor’s degree or higher (United States Census Bureau, 2012). With a median household value of $88,300 and median household income of $27,027, the city is also very dependent on the State of New Jersey to fund its operations. In fact, the state took over the Camden city government in 2002 and only relinquished control to a newly elected and politically connected mayor in 2010.

The New Jersey Supreme Court has been closely involved in urban education efforts for at least 40 years. The Court has written that the state constitution’s “thorough and efficient” education clause requires “that poorer disadvantaged students must be given a chance to be able to compete with relatively advantaged students” (Abbott v. Burke II, p. 14) and that they must have “the ability to participate fully in society, in the life of one’s community, the ability to appreciate
music, art, and literature, and the ability to share all of that with friends” (Abbott v. Burke II, p. 43). It is clear that children and youth in Camden are not receiving the “thorough and efficient” education guaranteed to them in the N.J. Constitution and that past efforts focused on ensuring increased funding and high quality pre-school have not resulted in the hope for improvements.

B. THE STATE TAKEOVER OF THE CCSD

The failure of the CCSD has been widely recognized for many years, leading to various internal and external efforts to reform the district. The Abbott reforms (detailed below) were clearly not working in Camden. Increased spending, whole school reform, universal (in the city) pre-K, state funding of facilities did not lead to increased student outcomes. The only clear improvements in student outcomes have come from the charter schools in the district.

Within the last two years, two major, related reform efforts have begun. The first reform element is focused on increasing the number of quality educational alternatives to the traditional district public schools.

This appears to be motivated by the clear differences in student achievement between children in the traditional public schools and those in charter schools. Charter schools in Camden have, on average, sustained much higher levels of student achievement than the public district schools. For example:

- 20% more charter school students than public district school students earn scores of proficient or advanced proficient on the ASK4, ASK8, and HSPA;
- Graduation rates at charter schools are about 35% higher than the CCSD’s graduation rate;
- Approximately 25% more charter school students than public district school students are able to pass the HSPA.

In January 2012, Governor Christie signed the Urban Hope Act into law allowing for the creation of Renaissance schools in Camden, Newark, and Trenton. Renaissance schools are run by private, non-profit organizations; receive more money per student than traditional charter schools but still slightly less than district schools; and are required to admit any child living within the schools’ catchment areas. Of those three cities, Renaissance schools have only been approved for Camden and the first three Renaissance schools opened in Camden in the fall of 2014. The three Renaissance schools approved so far have the legal authority to expand to serve as much as 100% of the CCSD’s total student population.

The second reform approach, changes in governance of the CCSD, has gone through several major changes over the last 15 years. As in most NJ districts, the
CCSD was originally governed by the nine-member, elected, Camden Board of Education. However, when the state took over the city government in 2002, the Legislature also gave the governor the right to veto school board decisions and they allowed the governor and the mayor to each appoint three of the nine members. Then when the state control of the city was lifted in 2010, the mayor was given the authority to appoint all nine members. The state also placed a state monitor within the school district with the power to veto board decisions on finances and personnel issues. Finally in the summer of 2013, the state took more direct control of the district appointing Paymon Rouhanifard the first State Superintendent of the CCSD. Superintendent Rouhanifard reports directly to the Commissioner of the NJ Department of Education. The board has been relegated to an advisory body.

C. ABBOTT BACKGROUND

Abbott and Post-Abbott

The major impetus behind the state funding formula for the CCSD is a series of more than 20 NJ Supreme Court decisions collectively known as the Abbott decisions. These decisions covered the 31 poorest districts in the state, including Camden. Abbott v. Burke was first filed in 1981 but it was not until 1990 that the first substantive Supreme Court decision (Abbott v. Burke II) was handed down. Even then, little actual change in school funding occurred until 1997 and 1998, when the courts handed down Abbott v. Burke IV and V. These two decisions represented a major change as the court stepped into traditionally legislative roles by requiring specific policy recommendations including:

1. Ensuring that per-pupil expenditure in the poor urban districts were equivalent to the average per-pupil expenditure in the wealthy suburban districts;
2. Providing high-quality pre-school for all 3 and 4 year olds in Abbott districts;
3. Implementing whole school reform and other supplemental programs such as after-school tutoring and health and social services;
4. Allowing Abbott districts to apply for additional state funds for implementation of clearly needed programs or services; and

The next ten years saw an additional 10 Abbott decisions as the court, legislature, executive branch, and other parties argued over how these remedies would be implemented. Eventually, the passage of the School Funding Reform Act (SFRA) in 2008 heralded the beginning of the end of the Abbott era. While three more Abbott decisions would be handed down over the next three years, those decisions largely affirmed the constitutionally of the SFRA for the Abbott districts as long
as the act was fully funded. Currently the Abbott districts are generally referred to as the ‘formerly Abbott’ districts.

D. CHARTER AND RENAISSANCE SCHOOLS IN CAMDEN

Starting in Minnesota in 1991, charter schools have been growing increasingly common in the United States. At least 42 states and the District of Columbia have authorized charter schools. In 1995, the NJ Legislature approved the creation of charter schools in NJ.

Charter schools are public schools in that they:

- are publically funded for operations;
- may not charge tuition;
- may not require entrance exams or interviews;
- are accountable to the New Jersey Department of Education and can have their charter removed;
- may not have a religious focus or affiliation;
- must be open to all children who live within the charter school’s district including those with disabilities or limited English proficiency on a space available basis (see end of this report for the Charter school law on admissions); and
- must hold a lottery to determine admission if they are oversubscribed.

At the same time, charter schools are not accountable to the local district in which they reside. In effect, each charter school is its own school district and as such can set its own educational program. Since charter and Renaissance schools are public schools, this report will refer to traditional public schools as “public district school” or as the Camden City School District (CCSD) distinct from charter and Renaissance schools.

In Camden, charter schools exhibited slow but steady growth on average adding 1.7% of the total student population to their enrollment each year. By the 2012-2013 school year, there were 11* charter schools operating in the city with an enrollment of 3640 students, or 25% of the total student population in Camden.

In addition to charter schools, a new form of charter/public hybrid has just begun to operate in Camden City. Known as Renaissance schools, they have some characteristics of both charter and traditional public schools. Renaissance schools:

- are largely publicly funded and receive more money per pupil than charter schools;
must accept all children who live within the school’s defined catchment area (the geographic area which would be served by a public school located in the same place);

must be open to all children, on a space available basis, who live within the charter school’s district including those with disabilities or limited English proficiency;

must eventually move into newly constructed school buildings; Renaissance schools do have access to public financing for facilities in New Jersey Charter schools do not;

may not charge tuition;

may not require entrance exams or interviews;

are accountable to the local Department of Education and can have their approval to operate removed, and

may not have a religious focus or affiliation.

As noted above, the largest differences between charter and Renaissance schools are that Renaissance schools, like district public schools, must accept all children who live in the school’s neighborhood. However, like charter schools, they are independently operated and create their own academic program. Unlike charter schools, Renaissance schools are required to work more closely with the CCSD school system and receive more money per pupil than charter schools. Renaissance schools receive 95% of what the district spends per pupil including ‘adjustment aid’ from the state. Charter schools do not receive this aid, so their per pupil funding is on the order of 65% of district operated schools. The original Renaissance school legislation required that those schools only use permanent, new buildings. However, the Renaissance schools in Camden were allowed to open in temporary buildings or in district school buildings. On October 6, 2014, Governor Christie signed an amendment to the Urban Hope Act—the legislation authorizing Renaissance schools—to allow Renaissance schools to utilize temporary buildings or district public schools while they waited for new buildings to be constructed. The amendment also extended the deadline for additional Renaissance applications.

Three Renaissance schools have been approved and begun operation in Camden. All three schools are operated by large charter school organizations (Kipp, Mastery, and Uncommon Schools). Together the three schools have been authorized to eventually serve up to almost 10,000 students, or 74% of the total 2012-2013 public school enrollment. Note that charter schools currently enroll about 25% of CCSD students. Therefore, Renaissance and charter schools could conceivably enroll all students in Camden.

*(11 counting LEAP as three different charter schools: Lower, Upper, and STEM.)*
CHAPTER II – CCSD PAST, PRESENT AND LIKELY ENROLLMENT DATA – “WHAT WILL THE LIKELY SIGNIFICANT ENROLLMENT REDUCTIONS MEAN FOR THE CCSD?”

A. CCSD ENROLLMENT 2000-2013

Over the last decade, Camden’s traditional public school system has seen relatively steady declines in its enrollment. The shrinking population of the city as a whole (and thus shrinking school age population) and the growth of charter schools in the city accounts for the vast majority of this decline. Figure 1 below shows how the school age population has shifted between the district and charter schools since the 1999-2000 school year.

Figure 1

Enrollment for CCSD and Charter Schools

This decline is especially evident if one follows the enrollment numbers for a single “graduating class” through their K-12 years. Figure 2 below tracks the number of students in the class of 2013 from Kindergarten to the beginning of their senior year for Camden and two other local districts, Audubon and Haddonfield. Audubon is in the ‘DE’ district factor group (DFG) indicating it is in the middle of the socio-economic scale. Haddonfield is in the ‘J’ DFG at the top of the socio-economic scale.
B. CCSD CLASS OF 2013 ENROLLMENT DATA

Figure 2:

Class of 2013 Enrollment since Kindergarten

Between 2000, when the class of 2013 students in Camden, Audubon, and Haddonfield started kindergarten, and the fall of 2012, when the class of 2013 students started their senior year, more than two-thirds of the kindergartners had left the Camden Public Schools. That is in contrast to Audubon and Haddonfield where the class of 2013 population increased by 12% and 17% respectively. Part of the decline in student population in Camden is certainly due to the 17% population loss Camden experienced between 2000 and 2013. However, all three towns lost population during that time and the class of 2013 population grew in Audubon and Haddonfield. Table 1, below, summarizes this data. This pattern strongly suggests that families with children left Camden at greater than average numbers and that families with children moved into Audubon and Haddonfield at greater than average numbers. The quality of the local schools is likely a motivating factor in these population shifts.

Table 1: Enrollment and population changes – 2000-2013 CCSD, Audubon and Haddonfield

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<th>Change in class of 2013 population from 2000 to 2013</th>
<th>Change in district’s total population from 2000 to 2013</th>
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<tr>
<td>CCSD</td>
<td>-67%</td>
<td>-17%</td>
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<tr>
<td>Audubon Public Schools</td>
<td>+12%</td>
<td>-1.74%</td>
</tr>
<tr>
<td>Haddonfield Public Schools</td>
<td>+17%</td>
<td>-0.85%</td>
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C. PROJECTING PUBLIC DISTRICT, RENAISSANCE AND CHARTER SCHOOL ENROLLMENT THROUGH 2020

Projecting Public and Charter School Enrollment

Camden is beginning to experience a dramatic increase in educational options for its children. For the last fourteen years, charter schools have grown at a relatively consistent rate, adding approximately 280 seats each year. Over the next six years, that growth is likely to at least quadruple and could theoretically increase more than fivefold (when Renaissance schools are included).

Figure 1 (above) shows the growth of the charter school population and the commensurate shrinking of the district public school system since 2000. By the time the Renaissance schools began to open in 2014, the charter school population grew to more than 3,400 students and the district public school system lost more than 7,000 students. The population of school age youth in the city also declined by approximately 4,000 students during this period.

Figure 3 presents two models for charter and Renaissance school growth—a faster and a slower growth model. The faster growth model is based on the following assumptions:

- The existing charter and Renaissance schools are able to open additional schools in the earliest time frames they laid out and that most parents in their catchment areas choose to send their children to the local Renaissance school;
- The school age youth population continues to decline but at about half the rate experienced between the 2000 and 2010 census;
- No new Renaissance or charter schools are approved or closed.

The slower growth model assumes:

- Existing charter and Renaissance schools hit approximately 75% of their growth goals;
- Charter and Renaissance schools which are building new facilities do not hit their most optimistic timeframes;
- The school age youth population does not decline further;
- No new Renaissance or charter schools are approved or closed.

It is important to note that even the faster growth model may underestimate the Renaissance schools’ growth rate if the CCSD transfers control of additional traditional public schools to Renaissance control. Renaissance schools will add approximately 1500 students this year-quadrupling their total enrollment. Eighty-five percent of that growth came from the 4 elementary and middle schools the CCSD transferred to Renaissance school control. If the CCSD repeats this in the future, Renaissance schools could grow much more quickly than even the ‘faster growth’ model.
Several conclusions stand out from this analysis.

1. There are not enough students in the city to fill all the seats the existing charter and Renaissance schools have said they would like to build. The various charter and Renaissance schools have indicated they eventually plan to build almost 16,000 seats. However, there are only a little more than 14,000 students currently in charter, Renaissance, and district public schools.

2. If the charter and Renaissance schools were able to fill all the seats they plan to build, the traditional CCSD would cease to exist.

3. If the charter and Renaissance schools build most of the seats they have indicated they plan to build, there will likely be excess capacity in the system. Because most schools would then likely have some empty seats, this should maximize parent’s power to choose their child’s school.
4. The district public school system is likely to shrink significantly over the next several years. Since eventually there will likely be a seat in a charter or Renaissance school for every student who wants one, the size of the traditional CCSD may be determined primarily by the number of:
   a. parents who choose not to enroll their children;
   b. parents of students who want the more in depth special education services district public schools traditionally supply;
   c. parents who are committed to traditional public schools for philosophical or political reasons.

The issue of special education is likely to be an important one in the growth of charter and Renaissance schools in Camden. Legally, charter and Renaissance schools may not discriminate against students with disabilities. However, at the same time, charter and Renaissance are not required to provide all the same services as district public schools. For example, no charter schools in Camden currently have self-contained classrooms. Instead, special education services are provided by moving students into regular classrooms or pulling students out for supplemental help. There are also generally fewer hours of service available per student in charter schools.

At the same time, Renaissance schools may be able to operate more similarly to the district public schools in this area than charter schools have been able to. The Renaissance schools receive significantly more money per student that charter schools. This may give them the resources to provide a higher level of service for students with special needs. For example, the new KIPP Renaissance school hired additional para-professionals and ‘upgraded’ a part-time social worker position into full time position when they found that a greater than expected number of their incoming kindergarteners had IEPs or were diagnosed with learning disabilities.
CHAPTER III – CCSD – BUDGETS, SPENDING, PAST, PRESENT AND FUTURE:
“Will reductions in CCSD enrollment be greater than budget reductions leading to
unjustifiable per student costs in the CCSD?”

A. CCSD Costs 2008 – 2014

The Camden Board of Education (CBoE) and the NJ Department of Education (NJ DOE)
produce several reports with fiscal data on the CCSD. The CBoE publishes an annual user-
friendly budget (UFB) and the NJ DOE publishes the Taxpayer Guide to Education Spending.
As can be seen in Table 2 below, one of the challenges of understanding educational costs in
Camden is that different official sources provide different numbers.

### Table 2: UFB and Taxpayer Guide to Education Spending for 2013-2014 school year

<table>
<thead>
<tr>
<th>Source</th>
<th>Total Spending</th>
<th>Total Enrollment</th>
<th>Per-Pupil Spending</th>
</tr>
</thead>
<tbody>
<tr>
<td>User Friendly Budget</td>
<td>$369,770,349</td>
<td>15,546</td>
<td>$21,073</td>
</tr>
<tr>
<td>Taxpayer Guide to Ed Spending</td>
<td>$361,322,562</td>
<td>13,383</td>
<td>$26,998</td>
</tr>
</tbody>
</table>

Furthermore, one challenge with this report specifically is that the UFB and Taxpayer Guide to
Education spending include pre-school and adult education programs while the target population
for this report is K-12 students. To calculate a per-pupil cost for the K-12 students, expenses for
charter, pre-school, non-public, and adult education expenses have to be subtracted. Finally,
certain expenses such pension and FICA payments have to be added. The state pays these costs
but they do not show on Camden’s user-friendly budget. We were able to create an estimate for
those costs by comparing the 2010 and 2011 Taxpayer Guides to Education Spending. In 2011,
the NJ DOE began to include the costs paid by the state such as pension costs. The 2010 Guide
reported FYE 2009 per-pupil costs (without pension costs added) of $19,337. The 2011 Guide
reported those same costs (but with pension costs and FICA costs added) approximately $3,600
higher. We added that amount to the per pupil costs calculated from Camden’s UFB to
incorporate some of those ‘hidden costs’ which are added at the state level. Because the state
does not pay those costs for charter school teachers, we did not add those costs to the charter
school calculations. Table 3 demonstrates how these adjustments were made to the CCSD 2012-
2013 school year budget to develop a budget which included only those costs for K-12
education. Figure 4 shows per pupil spending for public district and charter schools for K-12
### Table 3: Budget calculations for 2012-2013 school years

<table>
<thead>
<tr>
<th></th>
<th>Camden Board of Education Actual Budget</th>
<th>2012-2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Appropriations</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Fund</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total General Current Expense</td>
<td>132,213,194.00</td>
<td></td>
</tr>
<tr>
<td>Total Capital outlays</td>
<td>6,023,643.00</td>
<td></td>
</tr>
<tr>
<td>Total Special School (Adult Education)</td>
<td>38,836.00</td>
<td></td>
</tr>
<tr>
<td>Transfers to Charter Schools</td>
<td>48,934,036.00</td>
<td></td>
</tr>
<tr>
<td>General Fund Contribution to School Based Budget</td>
<td>110,895,900.00</td>
<td></td>
</tr>
<tr>
<td><strong>General Fund Total</strong></td>
<td>298,105,609.00</td>
<td></td>
</tr>
<tr>
<td>Special Grants and Entitlements</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local projects</td>
<td>34,721.00</td>
<td></td>
</tr>
<tr>
<td>Preschool education aid</td>
<td>28,665,587.00</td>
<td></td>
</tr>
<tr>
<td>Total other state aid (non-public, adult)</td>
<td>1,357,420.00</td>
<td></td>
</tr>
<tr>
<td><strong>Federal Aid</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Title I to IV</td>
<td>11,375,922.00</td>
<td></td>
</tr>
<tr>
<td>IDEA</td>
<td>4,740,873.00</td>
<td></td>
</tr>
<tr>
<td>Vocational ed</td>
<td>155,929.00</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>3,050,488.00</td>
<td></td>
</tr>
<tr>
<td>Contribution to SBB - other federal</td>
<td>5,517,806.00</td>
<td></td>
</tr>
<tr>
<td><strong>Federal Aid Total</strong></td>
<td>24,841,018.00</td>
<td></td>
</tr>
<tr>
<td><strong>Special Grants and Entitlements Total</strong></td>
<td>54,898,746.00</td>
<td></td>
</tr>
<tr>
<td><strong>Total Expenditures/Appropriations</strong></td>
<td>353,004,355.00</td>
<td></td>
</tr>
<tr>
<td><strong>Deduct Transfer to Special Revenue - Regular</strong></td>
<td>-967,884.00</td>
<td></td>
</tr>
<tr>
<td><strong>Total Expenditures Net of Transfers</strong></td>
<td>352,036,471.00</td>
<td></td>
</tr>
<tr>
<td><strong>Adjustments for K-12 Education Total</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Subtract</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expenses for charter, pre-school, non-public, and adult</td>
<td>78,995,879.00</td>
<td></td>
</tr>
<tr>
<td>Proportion of Title/IDEA money for charters</td>
<td>4,075,949.00</td>
<td></td>
</tr>
<tr>
<td><strong>Add</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pension and FICA costs</td>
<td>38,710,800.00</td>
<td></td>
</tr>
<tr>
<td><strong>Total Public, K-12 Expenses</strong></td>
<td>307,675,443.00</td>
<td></td>
</tr>
</tbody>
</table>
The changing mix of charter, Renaissance, and district public schools in Camden is likely to have a significant impact on school funding because all three types of schools are funded by the state at different levels. For charter schools, the school district in which the charter resides is required to pay the charter school 90% of the school district’s program budget per pupil for each student enrolled in the charter school. In addition, charter schools are eligible to receive 100% of categorical aid (ex: special education, bilingual education) for students who are receiving those services. Charter schools do not receive funding for their facilities and so must pay those costs from their operating budget or through additional fundraising.

In practice however, charter schools in Abbott districts including Camden receive significantly less than 90% of what the public schools spend per pupil. This is because charter schools receive 90% of only one type of state aid. Charter schools do not receive any of the ‘adjustment aid’ provided for Abbott districts. This may not be a big difference in wealthier districts. However, in Camden and other former Abbott districts, adjustment aid can be a significant percentage of the overall budget—significantly limiting state per pupil support for charter schools. Unlike charter schools, Renaissance schools are entitled to a share of adjustment aid.
aid. They therefore will receive a significantly larger per pupil payment. Adjustment aid in for the 2013-2014 school year was $46,068,696 or 15% of the total budget.

The NJ DOE’s ‘Taxpayer Guide to Education Spending’ for the 2012-2013 school year reports that a total $27,839 was spent per CCSD student of which $20,873 was considered budgetary costs. However, the average total amount spent for a Camden charter school student was $17,480. This is only 64% of the total amount spent on a district school student and only 84% even if one compares total charter costs to CCSD budgetary costs. Because these payments are passed through the CCSD, the CCSD gets to keep the difference between what it receives from the state for each student and what it is required to pay the charter schools or the Renaissance schools. When the total number of charter and Renaissance students is small, the budgetary bump the CCSD receives for each student who transfers to a charter school is relatively small as well. However, as the number of students in charter and Renaissance schools increases, the ‘extra’ money available to the district schools on a per pupil bases becomes more significant.

- Figures 5 and 6 show predictions for total and per pupil spending patterns over the next five years based on the slow growth model. Figure 5 clearly shows the total amount of money being spent by the district public school system significantly declines while overall spending by charter and Renaissance schools increases. At the same time, Figure 6 reveals that the decline in spending will likely be slower than the decline in enrollment. Because the spending will be spread over fewer students, per pupil expenditures are likely to rise significantly.

Figure 5:
Finally, significant reductions in the district public schools’ student population will impact staffing levels and facility needs. As described above, it is likely that over the next several years, the number of students in the district schools will be cut by half or more and $100,000,000 may be cut from the budget. Significant reductions in staff will almost certainly be required and facilities will need to be downsized or closed altogether.

While this will clearly be a significant challenge, it also presents several opportunities for the CCSD. The CCSD has been slowly closing some of their oldest schools and Governor Christie just recently announced that Camden High will be renovated. The CCSD should be able to speed the closing of their oldest and most expensive facilities. Also, many or all Camden High students will need to be relocated during the renovations. Local elementary and middle schools may have extra space as their population declines. Many districts have experience running multiple schools within one facility so there are likely to be safe ways to have high school students and younger students share the same building.

Unfortunately for the CCSD, charter and Renaissance schools are unlikely to be a long-term resource in terms of using existing school buildings because Renaissance schools are still required by law to eventually build and move into new buildings. Building on land upon which
schools have been previously located, as has happened with the KIPP school, is likely to be the only way Renaissance schools could use existing school locations.

The shrinking student body will also mean reductions in administrative, teaching, and support staff. While union and tenure rules do often make it more difficult to remove ineffective teachers, the 2012 TEACHNJ Act makes that process easier. The process of removing ineffective teachers is still not easy or quick. However, there is a process through which administrators can work to retain their most talented teachers. Also, the percentage of staff reductions may not be as severe as the reduction in the student body as schools can use this as an opportunity to reduce class size where needed.

At the same time, the growth in the charter and Renaissance schools will require hiring additional staff in these schools. The overall population of students in Camden is unlikely to shrink dramatically and may even grow if the charter and Renaissance schools develop a reputation for high quality. Every class of students leaving the district schools will need a teacher in a charter or Renaissance school. Good teachers may be able to make the transition to the charter or Renaissance schools.
CHAPTER IV – CCSD STUDENT PERFORMANCE COMPARED TO NATIONAL, STATE, AND NEIGHBORING DISTRICTS:

CCSD vs. Charter School Academic Performance

School performance statistics make it unfortunately clear that educational outcomes for students in the CCSD remain remarkably low. Performance on standardized tests, graduation rates, college matriculation rates, SAT participation rates and scores are all significantly below state averages. They are also lower than those for schools in similarly poor districts and than those for charter schools operating in Camden. For example, Figure 7 shows the difference between the percentage of CCSD and charter school students who score proficient or advanced proficient on the ASK4, ASK8, and HSPA. Over the last decade, a consistent 20% more charter school students than public school students have scored proficient or better on these standardized tests. In fact, 2014 saw that gap increase to 30%.

Figure 7:

% of Students Scoring Proficient or Better on Standardized Tests

Figures 8 and 9 highlight another major difference between the CCSD and charter schools. Graduation rates for the charter high schools have remained above 95% since the first charter school graduating class in 2005. In comparison, the CCSD’s self-reported graduation rates have hovered closer to 60% and a rate of closer to 50% has often been reported. Regardless of the exact number, it is clear that a large number of students are either dropping out altogether or transferring to other schools. Taking Camden High as an example, the class of 2013 had 142 (or
47%) fewer students in October of their senior year then they started with their freshman year and that loss does not include students who dropped out later in their senior year.

Figure 8:

Graduation Rates 2005-2014

Not only are many fewer students graduating from the CCSD, those who do graduate are much less likely to have passed the High School Proficiency Assessment (HSPA). Figure 9 illustrates that while only 40% of CCSD students were able to pass the HSPA in 2013—the highest percentage in more than a decade—closer to 65% of charter school students passed. In 2014, that gap also expanded to almost 40%.

Student’s SAT scores show similar differences. Not only are CCSD students much less likely to take the SAT, 52% of CCSD students as compared to 92% of charter school students, the CCSD students who take the test still score 50 points lower than charter school students.
Combining the data on graduation rates and the number of students who graduated by passing the HSPA allows a calculation of the percentage of 9th graders who were able to pass the HSPA and go on to graduate from high school within four years. Table 4 shows those percentage and numbers for CCPS, Camden charter schools, Audubon, and Haddonfield. The table reveals how Camden’s low achievement rates have a multiplicative affect such that less than a quarter of the Class of 2013 freshman graduated in four year after passing the HSPA.

Table 4: Percentage of Class of 2013 9th graders who graduate by passing the HSPA

<table>
<thead>
<tr>
<th>School District or Type</th>
<th>Number of 9th graders in Class of 2013</th>
<th>4-year Graduation Rate</th>
<th>% of graduates who pass the HSPA</th>
<th>% of 9th graders who graduate by passing the HSPA</th>
</tr>
</thead>
<tbody>
<tr>
<td>CCSD</td>
<td>712</td>
<td>57.8</td>
<td>39.7</td>
<td>23</td>
</tr>
<tr>
<td>Camden Charters</td>
<td>184</td>
<td>94.3</td>
<td>63.3</td>
<td>60</td>
</tr>
<tr>
<td>Audubon</td>
<td>133</td>
<td>89</td>
<td>86.2</td>
<td>77</td>
</tr>
<tr>
<td>Haddonfield</td>
<td>180</td>
<td>98</td>
<td>98.4</td>
<td>96</td>
</tr>
</tbody>
</table>

One possible explanation for the differences in achievement between district public and charter school students which must be explored is that the student populations are dissimilar. Three demographic factors which have been shown to impact academic achievement are the presence of learning disabilities, economic disadvantage, and limited English proficiency (LEP). Table 5 shows the reported percentages of students in each category for CCSD and charter school students for the 2012-2013 school year. Very similar percentages of students are considered economically disadvantaged as measured by the students who qualify for free or reduced price lunch. While this number may hide some differences in the degree of economic disadvantage, given that charter schools do not charge tuition, there is no clear reason to suspect significant
differences. District public schools do serve more students who have been determined to have a learning disability. However, the 9% difference between the district charter and public school student population with diagnosed learning disabilities is certainly not enough to explain many of the dramatic differences in achievement described above. Both the CCSD and charter schools report similar numbers of LEP students however, this number is the least trustworthy of the three because it is clear that not all schools are reporting this information. For example, Camden’s Charter School Network, which serves a majority Hispanic and heavily immigrant community, did not report any LEP students.

Table 5: CCSD vs. Charter School Demographics in 2012-2013

<table>
<thead>
<tr>
<th></th>
<th>% of CCSD students</th>
<th>% of charter school students</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diagnosed with a learning disability</td>
<td>18.2</td>
<td>9.3</td>
</tr>
<tr>
<td>Economically disadvantaged</td>
<td>85.6</td>
<td>89.9</td>
</tr>
<tr>
<td>Limited English proficiency</td>
<td>8.1</td>
<td>5.4</td>
</tr>
</tbody>
</table>

One potentially important difference between CCSD and charter school students which is not included in these statistics is the degree of parental involvement, interest, and investment in their child’s education. Research has suggested that parent involvement in a child’s education does contribute to better academic outcomes. Furthermore, there is reason to suspect that, on average, charter school parents are more likely to be involved in their child’s education since they took action to enroll their child in the school. Unfortunately, the degree of impact an involved parent has on their child’s achievement level is not well understood.

**Impacts for Failing to Educate Students Well**

The different educational outcomes demonstrated by the CCSD and charter schools are likely to have long lasting and significant personal and societal impacts. A 2006 study (Levine, Belfield, Muennig, & Rouse) found significant differences in income levels, tax payments, use of the public health system, criminal behavior, and welfare expenditures based on educational level.

They reported that:

“Dropouts are less likely to be employed, and they earn much less. (They are also more likely to be unemployed or out of the labor force). Lower earnings reflect both lower wages and a lower probability of being in work” (pp. 6-7)
For example,

- Male high school graduates earn between $117,000 and $322,000 more than high school dropouts over their lifetime,
- For male college graduates, the difference increases to between $950,000 and $1,387,000.
- Over the course of one’s lifetime, a high school graduate can be expected to pay $139,000 more in taxes than a high school dropout.
- Each high school graduate can be expected to result in Medicare and Medicaid savings of more than $40,000 over their lifetime.
- Various crime rates should be reduced by 10 to 20% for every 1,000 high school dropouts prevented.
- The criminal justice system can also be expected to save $26,000 for every high school graduate.
- The welfare system can be expected to save $3,000 for every high school graduate.
- Overall, the total lifetime economic benefit per high school graduate should be more than $200,000.

Consider this in light of the discussion of Camden’s dropout rate. In 2012, Camden High reported a 5-year graduation rate of 50%. If an additional 15% of those students who dropped out eventually earn their diploma, there would still be 106 students from Camden High’s 303 freshmen in the class of 2013 without a high school diploma. That represents an additional lifetime cost of more than $21,200,000 in lost taxes and increased health care, criminal justice, and welfare costs. Also in 2012, Camden’s charter schools reported a graduation rate of 96%. If those same 303 freshmen went to a charter school and graduation rate dropped 6% to 90%, instead of 106 dropouts, only 30 would have dropped out. That would result in a lifetime savings of $15,200,000.
CHAPTER V – RECOMMENDATIONS

A. Develop the vision and support from parents and the community for a broadly defined vision for a 21st century multi-sector school system that deals with traditional K-12 students, drop outs, alternative education approaches, blended learning, vocational education, etc.

B. Develop full community involvement in a redesigned school system including:
   a. District leadership and personnel;
   b. Private Schools;
   c. Higher education providers;
   d. Work force development providers;
   e. Camden political and community leaders;

C. Establish blended learning programs and schools and possibly virtual schools;

D. Implement city wide measurement system for schools and individual students, and student progress during the year, and year to year;

E. Implement a universal enrollment system for all schools in the district, taking into account present charter school and Renaissance school enrollment requirements;

F. Change state funding system so each school is funded based on weighted student needs and enrollment, whether a student is enrolled in a charter, Renaissance, traditional public school, alternative school, etc.; develop information and support to make choices more easily accessible to disadvantaged parents;

G. Determine reasonable and flexible staffing levels for the district based on projected enrollments, and develop reasonable exit incentives for existing staff;

H. Develop long-range facility plans understanding that the CCSD requirements for facilities is very likely to be substantially diminished or eliminated as new Renaissance schools are constructed;

I. Implement a private school choice program to provide parents with additional options for educating their children, preserving the private provider segment in and around Camden, and obtaining significant cost savings for the district and taxpayers.

References:

Effective January 1996
Amended November 2000
Amended August 2011

18A:36A-7. Student admissions to charter school

7. A charter school shall be open to all students on a space available basis and shall not discriminate in its admission policies or practices on the basis of intellectual or athletic ability, measures of achievement or aptitude, status as a handicapped person, proficiency in the English language, or any other basis that would be illegal if used by a school district; however, a charter school may limit admission to a particular grade level or to areas of concentration of the school, such as mathematics, science, or the arts. A charter school may establish reasonable criteria to evaluate prospective students which shall be outlined in the school's charter.