



NJDOE News

For More Information Contact:

Alan Guenther
Department of Education
(609) 292-1126

Laura Jones
Economic Development Authority
(609) 292-4621

Andy Pratt
Department of the Treasury
(609) 633-6565

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**Christie Administration Makes \$30 Million Available to Help Charter Schools
State Helps Public Charter Schools Build and Improve Classrooms;
New Jersey Economic Development Authority Will Help Charters Borrow Federal Stimulus Funds**

Trenton, NJ – Acting Education Commissioner Rochelle Hendricks announced today that charter schools will now have access to \$30 million in federally subsidized, low-interest bonds to help finance construction of new classrooms and other sorely needed facilities.

"For too long, charter schools have been denied equitable resources to finance construction projects needed to grow, expand and serve even more children. Other public schools have always been able to borrow money at a low interest rate to help them meet their facilities needs. Today, we begin to level the playing field by providing financial help to charters to help them build and improve facilities," Acting Commissioner Hendricks said.

Economic Development Authority Chief Executive Officer Caren Franzini said her agency will be looking for projects that are ready to build so that the money can have an immediate impact.

"This is the first time, to my knowledge, that the State has ever made federal school construction bonds available to help charter schools," Ms. Franzini said. "For the most part, we will be looking for projects that are already underway, with other financing in place, and the loans we will be administering will put the finishing touches on projects so they can move rapidly to conclusion."

The projects will be awarded on a competitive basis, Ms. Franzini said. Charter schools will have until November 19 to apply for the funding.

The news that charter schools will be able to get help to finance construction projects was welcomed by the Newark Charter School Fund. In Newark, the City and the Newark Public School district have already forged partnerships with local charter schools. In both 2009 and 2010, the City and the district shared more than \$20 million in federal stimulus bonds with the city's charters.

"In our city, we are working together to help address the facilities needs of some of our outstanding charter schools, but more work is needed," said Mashea Ashton, chief executive officer of the Newark Charter School Fund. "The strength of the charter schools in Newark benefits all our students and families by offering high quality public school options. We are all public schools together, and we applaud the State's efforts to make these precious resources available to a greater number of charter schools in Newark and across the State."

The New Jersey Charter Schools Association said the \$30 million in low-cost bonds will begin to help charter schools immediately address some of their most pressing needs.

"We are pleased that the Christie Administration is taking this positive step to support the healthy growth and expansion of charter schools. Far too many charters in New Jersey are in dire need of funding for capital projects," said Carlos Perez, chief executive officer of the New Jersey Charter Schools Association. "The option of borrowing with low-cost financing will allow charter schools across the state to construct new facilities, repair dilapidated buildings, modernize classrooms and address health and safety issues."

"This low-cost borrowing option will make it possible for us to do what charters have proven to be great at: squeezing more educational value out of each dollar invested," Perez said.

State Treasurer Andrew Sidamon-Eristoff said New Jersey will let charter schools obtain low-cost money for critically needed facilities.

"This federally backed debt will allow charter schools to get funds at zero or near zero interest expense," Treasurer Sidamon-Eristoff said. "Clearly, this will allow charter schools to stretch their scarce resources, greatly improving educational opportunities for New Jersey's children."

Brian Keenan, president of a firm that helps charter schools build facilities, explained how the \$30 million in bond funding will help address current needs.

"Charter schools are in the business of educating kids, not developing real estate. They don't have equity on hand to invest in real estate and build schools. This low-interest bond money provided by the State will enable charter schools to leverage as much as 10 times this amount in private sector financing," said Keenan, president of Real Estate and Advisory Development Services, a non-profit charter school facility development company in Metuchen, N.J.

Acting Commissioner Hendricks said the \$30 million in construction bonds are just further proof of the Christie Administration's focus on making charter schools an increasingly important part of the educational establishment in New Jersey.

"Governor Christie believes in offering students and families more choices for a quality education," Acting Commissioner Hendricks said. "Through this action, and his bold reform agenda for education, Governor Christie is taking action to grow and expand high-quality charter schools, increase accountability in the education system, and ensure our children are getting the results they deserve."