

AMENDED IN ASSEMBLY JULY 8, 2025

AMENDED IN SENATE MAY 1, 2025

AMENDED IN SENATE MARCH 26, 2025

SENATE BILL

No. 414

Introduced by Senator Ashby

February 14, 2025

An act to amend Sections 14502.1, 41020, 41020.5, 42238.024, 43521, 46211, 47604.1, 47604.3, 47604.32, 47604.5, 47605, 47605.1, 47612.5, 47612.7, 47613, 47614.5, 47616.7, 47634.2, 51744, 51745.6, and 51747 of, to add Sections 41020.4 and 41020.6 to, and to add Article 11 (commencing with Section 51820) and Article 11.5 (commencing with Section 51827) to Chapter 5 of Part 28 of Division 4 of Title 2 of, the Education Code, ~~and to amend Section 811.2 of the Government Code,~~ relating to school accountability.

LEGISLATIVE COUNSEL'S DIGEST

SB 414, as amended, Ashby. School accountability: school financial and performance audits: chartering authorities: ~~tort liability~~: educational enrichment ~~support~~ activities: flex-based instruction.

(1) Existing law requires county superintendents of schools to provide for an audit of all funds under their jurisdiction and control, and requires the governing board of each local educational agency to either provide for an audit of the books and accounts of the local educational agency or make arrangements with county superintendents of schools to provide for that auditing. Existing law requires those audits to be made by a certified public accountant or a public accountant, licensed by the California Board of Accountancy, and selected by the local educational agency, as applicable, from a directory of certified public accountants

and public accountants deemed by the Controller as qualified to conduct audits of local educational agencies.

Under existing law, once the Controller or county superintendent of schools makes a final determination that specified audits performed by a certified public accountant or public accountant were not performed in substantial conformity with provisions of an audit guide, or that the audit reports do not conform to the provisions of an audit guide, the certified public accountant or public accountant is ineligible to conduct specified audits for 3 years. Existing law requires the Controller to notify each school district and county office of education of those certified public accountants or public accountants determined to be ineligible pursuant to these provisions.

This bill would impose additional requirements on certified public accountants and public accountants relating to training specific to local educational agencies in order to, after the 2026–27 fiscal year, be added to or remain on the Controller’s directory of certified public accountants and public accountants deemed qualified to conduct audits of local educational agencies, as provided.

The bill would require an auditor of a local educational agency to, among other things, ensure that all sampling of documents or records necessary for the audit are independently selected by the ~~auditor~~ auditor; and would require an auditor of a local educational agency that offers independent study to verify the pupil-to-teacher ratio of the school or program and include that information in the audit, as provided. The bill would extend the above-described rules related to the ineligibility of the certified public accountant or public accountant to audits of charter schools, as provided, and would additionally require the Controller to notify charter schools of those certified public accountants or public accountants determined to be ineligible to conduct audits, as provided.

(2) Existing law requires the Controller, in consultation with the Department of Finance and the State Department of Education, to develop a plan to review and report on financial and compliance audits, and with representatives of other entities, to recommend the statements and other information to be included in the audit reports filed with the state by local educational agencies, and to propose the content of an audit guide. Existing law requires the audit guide to include specified content, as provided.

This bill would require the Controller to consult with representatives of 2 additional specified entities and would require the audit guide to

include a variety of additional content relating to audits of a local educational agency, as provided.

(3) The Charter Schools Act of 1992 requires each charter school to transmit a copy of its annual, independent financial audit report for the preceding fiscal year to the county office of education, the Controller, and the State Department of Education by December 15 of each year.

The act authorizes the establishment, operation, and governance of charter schools. Existing law authorizes a charter school that has an approved charter to receive funding for nonclassroom-based instruction only if a determination for funding is made by the State Board of Education, as specified.

~~By January 31, 2026, and by January 31 of each year thereafter, this~~
This bill would require the governing body of a charter school, by January 31, 2026, and by January 31 of each year thereafter, to review, at a public meeting as an item on the agenda, the annual audit of the charter school for the prior fiscal year, any audit exceptions identified in that audit, the recommendations or findings of any management letter issued by the auditor, and any description of correction or plans to correct any exceptions or management letter issue. By imposing additional requirements on charter schools, the bill would impose a state-mandated local program.

The bill would replace the term “nonclassroom-based instruction” with “flex-based instruction” and define a “flex-based charter school” as a charter school that receives a determination for funding from the state board, as described above. The bill would also make numerous nonsubstantive and conforming changes.

(4) Existing law requires each chartering authority to, among other things, monitor the fiscal condition of each charter school under its authority. Existing law authorizes the state board to, based upon the recommendation of the Superintendent of Public Instruction, take appropriate action when the state board finds, among other things, illegal or substantially improper use of charter school funds for the personal benefit of any officer, director, or fiduciary of the charter school, as provided.

~~This bill would include in the monitoring of the fiscal condition of a charter school~~ *require that monitoring to also include a review of a sample of credit and debit card transactions of each charter school under its authority. The bill would require a chartering authority to provide the governing body of the charter school with feedback on any issues of concern identified in the review, as provided.* ~~The bill, if the~~ *If a*

chartering authority has reasonable suspicion that fraud, misappropriations of public funds, embezzlement, or other financial crimes, may be occurring, *the bill* would require—a *the* chartering authority to notify the State Department of Education and the county office of education. The bill would require the state board, or the state board's designee, to promptly investigate allegations of false claims or misappropriation of public funds by charter schools if there is probable cause to believe that those crimes have occurred. By imposing additional requirements on charter schools and local educational agencies acting as chartering authorities, the bill would impose a state-mandated local program.

(5) Existing law provides for the apportionment of state funding to a charter school based on the average daily attendance that is generated by pupils engaged in nonclassroom-based instruction, as defined, in accordance with prescribed criteria and procedures.

This bill would authorize the ~~State Board of Education~~ *state board* to adjust the amount of funding to be allocated to a charter school if the state board makes a finding of demonstrable financial abuse, profiteering, or grossly excessive administrative expenses. The bill would require the state ~~board to~~, *board*, on or before May 31, 2027, to review and revise regulations governing the funding determination process for flex-based charter schools to be consistent with specified criteria, as provided.

(6) Commencing July 1, 2026, this bill would require a school district, county office of education, or charter school to only enter into an agreement for ~~the provision or arrangement of educational enrichment activities~~ *support activities, as defined, meant to enhance a pupil's program* with a vendor that is vetted and approved pursuant to *procedures established by* the bill. The bill would authorize a local educational agency to expend public funds for ~~the provision or arrangement of educational enrichment~~ *support activities*, provided that all ~~educational enrichment~~ *support activities*, materials, and programs are nonsectarian.

The bill would require the governing board or body of a local educational agency, in approving any contract for vendor services for ~~educational enrichment~~ *support activities*, to establish specified policies and procedures to ensure educational value, pupil safety, and fiscal reasonableness, and would further require that these policies ensure that vendor services for ~~educational enrichment~~ *support activities* meet designated criteria. The bill would require auditing of approval of, and

compliance with, policies and procedures established under the bill to be included in designated annual audit reports. The bill would require a vendor contract that will exceed \$100,000 in a fiscal year to be approved by the governing board or body of the local educational agency in an open public meeting. The bill would also require ~~any~~ *an* educational ~~enrichment~~ *support* activity provided by a school to be approved and verified by the pupil's assigned teacher as relevant to specific educational assignments and educationally appropriate for that pupil.

~~(7) The Government Claims Act provides for the liability and immunity of a public entity, as defined, for its acts or omissions that cause harm to persons, and defines a public entity for these purposes.~~

~~This bill would expressly include charter schools within the definition of "public entity" for purposes of the act.~~

~~(8)~~

(7) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 14502.1 of the Education Code is
2 amended to read:
3 14502.1. (a) The Controller, in consultation with the
4 Department of Finance and the department, shall develop a plan
5 to review and report on financial and compliance audits. The plan
6 shall commence with the 2003–04 fiscal year for audits of school
7 districts, other local educational agencies, and the offices of county
8 superintendents of schools. The Controller, in consultation with
9 the Department of Finance, the department, and representatives
10 of the California School Boards Association, the California
11 Association of School Business Officials, the California County
12 Superintendents Educational Services Association, the California
13 Teachers Association, the California Society of Certified Public

1 Accountants, the Charter Schools Development Center, the
2 California Charter Schools Association, and the County Office
3 Fiscal Crisis and Management Assistance Team, shall recommend
4 the statements and other information to be included in the audit
5 reports filed with the state, and shall propose the content of an
6 audit guide to carry out the purposes of this chapter. A supplement
7 to the audit guide may be suggested in the audit year, following
8 the above process, to address issues resulting from new legislation
9 in that year that changes the conditions of apportionment. The
10 proposed content of the audit guide and any supplement to the
11 audit guide shall be submitted by the Controller to the Education
12 Audit Appeals Panel for review and possible amendment.

13 (b) The audit guide and any supplement shall be adopted by the
14 Education Audit Appeals Panel pursuant to the rulemaking
15 procedures of the Administrative Procedure Act, as set forth in
16 Chapter 3.5 (commencing with Section 11340) of Part 1 of Division
17 3 of Title 2 of the Government Code. It is the intent of the
18 Legislature that, for the 2003–04 fiscal year, the audit guide be
19 adopted by July 1 of the fiscal year to be audited. A supplemental
20 audit guide may be adopted to address legislative changes to the
21 conditions of apportionment. It is the intent of the Legislature that
22 supplements be adopted before March 1 of the audit year.
23 Commencing with the 2004–05 fiscal year, and each fiscal year
24 thereafter, the audit guide shall be adopted by July 1 of the fiscal
25 year to be audited. A supplemental audit guide may be adopted to
26 address legislative changes to the conditions of apportionment.
27 The supplements shall be adopted before March 1 of the audit
28 year. To meet these goals and to ensure the accuracy of the audit
29 guide, the process for adopting emergency regulations set forth in
30 Section 11346.1 of the Government Code may be followed to
31 adopt the audit guide and supplemental audit guide. It is the intent
32 of the Legislature that once the audit guide has been adopted for
33 a fiscal year, as well as any supplement for that year, thereafter
34 only suggested changes to the audit guide and any additional
35 supplements need be adopted pursuant to the rulemaking
36 procedures of the Administrative Procedure Act. The audit guide
37 and any supplement shall be issued in booklet form and may be
38 made available by any means deemed appropriate. The Controller
39 and consultants in the development of the suggested audit guide
40 and any supplement shall work cooperatively on a timeline that

1 will allow the Education Audit Appeals Panel to meet the July 1
2 and March 1 issuance dates. Consistent with current practices for
3 development of the audit guide before the 2003–04 fiscal year, the
4 Controller shall provide for the adoption of procedures and
5 timetables for the development of the suggested audit guide, any
6 supplement, and the format for additions, deletions, and revisions.

7 (c) For the audit of school districts or county offices of education
8 electing to take formal action pursuant to Sections 22714 and
9 44929, the audit guide content proposed by the Controller shall
10 include, but not be limited to, the following:

11 (1) The number and type of positions vacated.

12 (2) The age and service credit of the retirees receiving the
13 additional service credit provided by Sections 22714 and 44929.

14 (3) A comparison of the salary and benefits of each retiree
15 receiving the additional service credit with the salary and benefits
16 of the replacement employee, if any.

17 (4) The resulting retirement cost, including interest, if any, and
18 postretirement health care benefits costs, incurred by the employer.

19 (d) The Controller shall annually prepare a cost analysis, based
20 on the information included in the audit reports for the prior fiscal
21 year, to determine the net savings or costs resulting from formal
22 actions taken by school districts and county offices of education
23 pursuant to Sections 22714 and 44929, and shall report the results
24 of the cost analysis to the Governor and the Legislature by April
25 1 of each year.

26 (e) All costs incurred by the Controller to implement subdivision
27 (c) shall be absorbed by the Controller.

28 (f) On or before January 1, 2015, the Controller, in consultation
29 with the State Allocation Board, the Department of Finance, and
30 the department, shall submit content to the Education Audit
31 Appeals Panel to be included in the audit guide, Standards and
32 Procedures for Audits of California K-12 Local Educational
33 Agencies beginning in the 2015–16 fiscal year, that is related to
34 the financial and performance audits required for school facility
35 projects, as described in Section 15286.

36 SEC. 2. Section 41020 of the Education Code is amended to
37 read:

38 41020. (a) It is the intent of the Legislature to encourage sound
39 fiscal management practices among local educational agencies for
40 the most efficient and effective use of public funds for the

1 education of children in California by strengthening fiscal
2 accountability at the school district, county, and state levels.

3 (b) (1) Not later than the first day of May of each fiscal year,
4 each county superintendent of schools shall provide for an audit
5 of all funds under their jurisdiction and control and the governing
6 board of each local educational agency shall either provide for an
7 audit of the books and accounts of the local educational agency,
8 including an audit of income and expenditures by source of funds,
9 or make arrangements with the county superintendent of schools
10 having jurisdiction over the local educational agency to provide
11 for that auditing.

12 (2) A contract to perform the audit of a local educational agency
13 that has a disapproved budget or has received a negative
14 certification on any budget or interim financial report during the
15 current fiscal year or either of the two preceding fiscal years, or
16 for which the county superintendent of schools has otherwise
17 determined that a lack of going concern exists, is not valid unless
18 approved by the responsible county superintendent of schools and
19 the governing board of the local educational agency.

20 (3) If the governing board of a local educational agency has not
21 provided for an audit of the books and accounts of the local
22 educational agency by April 1, the county superintendent of schools
23 having jurisdiction over the local educational agency shall provide
24 for the audit of the local educational agency.

25 (4) An audit conducted pursuant to this section shall comply
26 fully with the Government Auditing Standards issued by the
27 Comptroller General of the United States.

28 (5) For purposes of this section, “local educational agency” does
29 not include community colleges.

30 (c) Each audit conducted in accordance with this section shall
31 include all funds of the local educational agency, including the
32 student body and cafeteria funds and accounts and any other funds
33 under the control or jurisdiction of the local educational agency.
34 Each audit shall also include an audit of pupil attendance
35 procedures. Each audit shall include a determination of whether
36 funds were expended pursuant to a local control and accountability
37 plan or an approved annual update to a local control and
38 accountability plan pursuant to Article 4.5 (commencing with
39 Section 52059.5) of Chapter 6.1 of Part 28 of Division 4.

1 (d) All audit reports for each fiscal year shall be developed and
2 reported using a format established by the Controller after
3 consultation with the Superintendent and the Director of Finance.

4 (e) (1) The cost of the audits provided for by the county
5 superintendent of schools shall be paid from the county school
6 service fund and the county superintendent of schools shall transfer
7 the pro rata share of the cost chargeable to each school district
8 from school district funds.

9 (2) The cost of the audit provided for by a governing board of
10 a local educational agency shall be paid from local educational
11 agency funds. The audit of the funds under the jurisdiction and
12 control of the county superintendent of schools shall be paid from
13 the county school service fund.

14 (f) (1) The audits shall be made by a certified public accountant
15 or a public accountant, licensed by the California Board of
16 Accountancy, and selected by the local educational agency, as
17 applicable, from a directory of certified public accountants and
18 public accountants deemed by the Controller as qualified to conduct
19 audits of local educational agencies, which shall be published by
20 the Controller not later than December 31 of each year.

21 (2) Commencing with the 2003–04 fiscal year and except as
22 provided in subdivision (d) of Section 41320.1, it is unlawful for
23 a public accounting firm to provide audit services to a local
24 educational agency if the lead audit partner, or coordinating audit
25 partner, having primary responsibility for the audit, or the audit
26 partner responsible for reviewing the audit, has performed audit
27 services for that local educational agency in each of the six previous
28 fiscal years. The Education Audit Appeals Panel may waive this
29 requirement if the panel finds that no otherwise eligible auditor is
30 available to perform the audit.

31 (3) It is the intent of the Legislature that, notwithstanding
32 paragraph (2), the rotation within public accounting firms conform
33 to provisions of the federal Sarbanes-Oxley Act of 2002 (Public
34 Law 107-204; 15 U.S.C. Sec. 7201 et seq.), and upon release of
35 the report required by the act of the Comptroller General of the
36 United States addressing the mandatory rotation of registered
37 public accounting firms, the Legislature intends to reconsider
38 paragraph (2). In determining which certified public accountants
39 and public accountants shall be included in the directory, the
40 Controller shall use the following criteria:

1 (A) The certified public accountants or public accountants shall
2 be in good standing as certified by the Board of Accountancy.

3 (B) The certified public accountants or public accountants, as
4 a result of a quality control review conducted by the Controller
5 pursuant to Section 14504.2, shall not have been found to have
6 conducted an audit in a manner constituting noncompliance with
7 subdivision (a) of Section 14503.

8 (4) After the 2026–27 fiscal year, in order to be added to or
9 remain on the Controller’s directory of certified public accountants
10 and public accountants deemed qualified to conduct audits of local
11 educational agencies, all certified public accountants conducting
12 or supervising audits of local educational agencies shall complete
13 24 hours of initial ~~training~~ *training*, and at least 16 hours of training
14 every two years ~~thereafter~~ *thereafter*, in topics determined by the
15 Controller to be specific to financial reporting and compliance
16 testing related to school districts, charter schools, and flex-based
17 schools operated by school districts or charter schools.

18 (g) (1) The auditor’s report shall include each of the following:

19 (A) A statement that the audit was conducted pursuant to
20 standards and procedures developed in accordance with Chapter
21 3 (commencing with Section 14500) of Part 9 of Division 1 of
22 Title 1.

23 (B) A summary of audit exceptions and management
24 improvement recommendations.

25 (C) An evaluation by the auditor on whether there is substantial
26 doubt about the ability of the local educational agency to continue
27 as a going concern for a reasonable period of time. This evaluation
28 shall be based on the Statement on Auditing Standards No. 59, as
29 issued by the American Institute of Certified Public Accountants
30 regarding disclosure requirements relating to the ability of the
31 entity to continue as a going concern.

32 (2) To the extent possible, a description of correction or plan
33 of correction shall be incorporated in the audit report, describing
34 the specific actions that are planned to be taken, or that have been
35 taken, to correct the problem identified by the auditor. The
36 descriptions of specific actions to be taken or that have been taken
37 shall not solely consist of general comments such as “will
38 implement,” “accepted the recommendation,” or “will discuss at
39 a later date.”

1 (h) (1) Not later than December 15, a report of each local
2 educational agency audit for the preceding fiscal year shall be filed
3 with the county superintendent of schools of the county in which
4 the local educational agency is located, the department, and the
5 Controller. The Superintendent shall make any adjustments
6 necessary in future apportionments of all state funds to correct any
7 audit exceptions revealed by those audit reports.

8 (2) The audit report referenced in paragraph (1) for the 2020–21
9 fiscal year shall instead be filed no later than January 31, 2022.

10 (3) The extension for the audit report referenced in subdivision
11 (m) of Sections 47605 and 47605.6 for the 2020–21 fiscal year
12 shall instead be filed no later than January 31, 2022.

13 (i) (1) Commencing with the 2002–03 audit of local educational
14 agencies pursuant to this section and subdivision (d) of Section
15 41320.1, each county superintendent of schools shall be responsible
16 for reviewing the audit exceptions contained in an audit of a local
17 educational agency under their jurisdiction related to attendance,
18 inventory of equipment, internal control, and any miscellaneous
19 items, and determining whether the exceptions have been either
20 corrected or an acceptable plan of correction has been developed.

21 (2) Commencing with the 2004–05 audit of local educational
22 agencies pursuant to this section and subdivision (d) of Section
23 41320.1, each county superintendent of schools shall include in
24 the review of audit exceptions performed pursuant to this
25 subdivision those audit exceptions related to use of instructional
26 materials program funds, teacher misassignments pursuant to
27 Section 44258.9, and information reported on the school
28 accountability report card required pursuant to Section 33126, and
29 shall determine whether the exceptions are either corrected or an
30 acceptable plan of correction has been developed.

31 (j) Upon submission of the final audit report to the governing
32 board of each local educational agency and subsequent receipt of
33 the audit by the county superintendent of schools having
34 jurisdiction over the local educational agency, the county office
35 of education shall do all of the following:

36 (1) Review audit exceptions related to attendance, inventory of
37 equipment, internal control, and other miscellaneous exceptions.
38 Attendance exceptions or issues shall include, but not be limited
39 to, those related to local control funding formula allocations

1 pursuant to Section 42238.02, as implemented by Section 42238.03,
2 and independent study.

3 (2) (A) If a description of the correction or plan of correction
4 has not been provided as part of the audit required by this section,
5 the county superintendent of schools shall notify the local
6 educational agency and request the governing board of the local
7 educational agency to provide to the county superintendent of
8 schools a description of the corrections or plan of correction by
9 March 15.

10 (B) In audit reports for the 2020–21 fiscal year, the description
11 of the corrections or plan of correction referenced in subparagraph
12 (A) shall instead be filed no later than April 15, 2022.

13 (3) Review the description of correction or plan of correction
14 and determine its adequacy. If the description of the correction or
15 plan of correction is not adequate, the county superintendent of
16 schools shall require the local educational agency to resubmit that
17 portion of its response that is inadequate.

18 (k) (1) Each county superintendent of schools shall certify to
19 the Superintendent and the Controller, not later than May 15, that
20 the county superintendent of schools' staff has reviewed all audits
21 of local educational agencies under the county superintendent of
22 schools' jurisdiction for the prior fiscal year, that all exceptions
23 that the county superintendent was required to review were
24 reviewed, and that all of those exceptions, except as otherwise
25 noted in the certification, have been corrected by the local
26 educational agency or that an acceptable plan of correction has
27 been submitted to the county superintendent of schools. In addition,
28 the county superintendent shall identify, by local educational
29 agency, any attendance-related audit exception or exceptions
30 involving state funds, and require the local educational agency to
31 which the audit exceptions were directed to submit appropriate
32 reporting forms for processing by the Superintendent.

33 (2) For audit reports for the 2020–21 fiscal year, the deadline
34 for certification referenced in paragraph (1) shall instead be filed
35 no later than June 15, 2022.

36 (l) In the audit of a local educational agency for a subsequent
37 year, the auditor shall review the correction or plan or plans of
38 correction submitted by the local educational agency to determine
39 if the exceptions have been resolved. If an exception has not been
40 resolved, the auditor shall immediately notify the appropriate

1 county office of education and the department and restate the
2 exception in the audit report. After receiving that notification, the
3 department shall either consult with the local educational agency
4 to resolve the exception or require the county superintendent of
5 schools to follow up with the local educational agency.

6 (m) (1) The Superintendent is responsible for ensuring that
7 local educational agencies have either corrected or developed plans
8 of correction for any one or more of the following:

9 (A) All federal and state compliance audit exceptions identified
10 in the audit.

11 (B) Exceptions that the county superintendent of schools certifies
12 as of May 15 have not been corrected.

13 (C) Repeat audit exceptions that are not assigned to a county
14 superintendent of schools to correct.

15 (2) In addition, the Superintendent is responsible for ensuring
16 that county superintendents of schools and each county board of
17 education that serves as the governing board of a local educational
18 agency either correct all audit exceptions identified in the audits
19 of county superintendents of schools and of the local educational
20 agencies for which the county boards of education serve as the
21 governing boards or develop acceptable plans of correction for
22 those exceptions.

23 (3) The Superintendent shall report annually to the Controller
24 on the Superintendent's actions to ensure that school districts,
25 county superintendents of schools, and each county board of
26 education that serves as the governing board of a school district
27 have either corrected or developed plans of correction for any of
28 the exceptions noted pursuant to paragraph (1).

29 (n) To facilitate correction of the exceptions identified by the
30 audits issued pursuant to this section, the Controller shall require
31 auditors to categorize audit exceptions in each audit report in a
32 manner that will make it clear to both the county superintendent
33 of schools and the Superintendent which exceptions they are
34 responsible for ensuring the correction of by a local educational
35 agency. In addition, the Controller annually shall select a sampling
36 of county superintendents of schools, perform a followup of the
37 audit resolution process of those county superintendents of schools,
38 and report the results of that followup to the Superintendent and
39 the county superintendents of schools that were reviewed.

(o) County superintendents of schools shall adjust subsequent local property tax requirements to correct audit exceptions relating to local educational agency tax rates and tax revenues.

(p) If a governing board or county superintendent of schools fails or is unable to make satisfactory arrangements for the audit pursuant to this section, the Controller shall make arrangements for the audit and the cost of the audit shall be paid from local educational agency funds or the county school service fund, as the case may be.

(q) Audits of regional occupational centers and programs are subject to this section.

(r) This section does not authorize examination of, or reports on, the curriculum used or provided for in any local educational agency.

(s) Notwithstanding any other law, a nonauditing, management, or other consulting service to be provided to a local educational agency by a certified public accounting firm while the certified public accounting firm is performing an audit of the agency pursuant to this section shall be in accord with Government Accounting Standards, Amendment No. 3, as published by the United States General Accounting Office.

SEC. 3. Section 41020.4 is added to the Education Code, to read:

41020.4. By January 31, 2026, and by January 31 each year thereafter, the governing body of a charter school shall review, at a public meeting, the annual audit of the charter school for the prior fiscal year, any audit exceptions identified in that audit, the recommendations or findings of any management letter issued by the auditor, including any findings identified pursuant to paragraph (4) of subdivision (a) of Section 41020.6 for a flex-based charter school, and any description of ~~correction~~ *corrections for*, or plans to ~~correct~~ *correct*, any exceptions or management letter issue. The review shall be placed on the agenda of the meeting pursuant to the Ralph M. Brown Act (Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5 of the Government Code).

SEC. 4. Section 41020.5 of the Education Code is amended to read:

41020.5. (a) (1) If the Controller determines by two consecutive quality control reviews pursuant to Section 14504.2, or if a county superintendent of schools determines, that audits

1 performed by a certified public accountant or public accountant
2 under Section 41020 or 41020.6 were not performed in substantial
3 conformity with provisions of the audit guide, or that the audit
4 reports, including amended reports, submitted by February 15
5 following the close of the fiscal year audited, for two consecutive
6 years do not conform to provisions of the audit guide as required
7 by Section 14504, the Controller or the county superintendent of
8 schools, as appropriate, shall notify in writing the certified public
9 accountant or public accountant and the California Board of
10 Accountancy.

11 (2) If the certified public accountant or public accountant does
12 not file an appeal in writing with the California Board of
13 Accountancy within 30 calendar days after receipt of the
14 notification from the Controller or county superintendent of
15 schools, the determination of the Controller or county
16 superintendent of schools pursuant to this section shall be final.

17 (b) If an appeal is filed with the California Board of
18 Accountancy, the board shall complete an investigation of the
19 appeal within 90 days of the filing date. On the basis of the
20 investigation, the board may do either of the following:

21 (1) Find that the determination of the Controller or county
22 superintendent of schools should not be upheld and has no effect.

23 (2) Schedule the appeal for a hearing, in which case, the final
24 action on the appeal shall be completed by the board within one
25 year from the date of filing the appeal.

26 (c) If the determination of the Controller or county
27 superintendent of schools under subdivision (a) becomes final, the
28 certified public accountant or public accountant shall be ineligible
29 to conduct audits under Section 41020 or 41020.6 for a period of
30 three years, or, in the event of an appeal, for any period, and subject
31 to the conditions, that may be ordered by the California Board of
32 Accountancy. Not later than the first day of March of each year,
33 the Controller shall notify each school district, charter school, and
34 county office of education of those certified public accountants or
35 public accountants determined to be ineligible under this section.
36 School districts, charter schools, and county offices of education
37 shall not use the audit services of a certified public accountant or
38 public accountant ineligible under this section.

(d) For purposes of this section, “certified public accountant or public accountant” includes any person or firm entering into a contract to conduct an audit under Section 41020 or 41020.6.

(e) This section shall not preclude the California Board of Accountancy from taking any disciplinary action it deems appropriate under any other law.

SEC. 5. Section 41020.6 is added to the Education Code, to read:

41020.6. (a) An auditor, when performing an audit described in Section 41020, subparagraph (I) of paragraph (5) of subdivision (c) of Section 47605, or subparagraph (I) of paragraph (5) of subdivision (b) of Section 47605.6, shall do all of the following:

(1) Ensure that all sampling of documents or records necessary for the audit are independently selected by the auditor.

(2) Identify in the audit report any transfers of funds or assets to other individuals or organizations that exceed one million dollars (\$1,000,000) or 10 percent of the local educational agency’s budget, whichever is less, together with a written explanation from the local educational agency regarding the school purpose for each of those expenditures.

(3) Select a sample and review credit card statements, debit card statements, other electronic payment methods and media, and bank statements of the local educational agency pursuant to the process described in Section 14502.1.

(4) Include a letter with the audit report discussing any findings of the ~~auditor~~ *auditor*, together with a response by the local educational ~~agency~~ *agency*, if the local educational agency chooses to make a response.

(5) Include in the audit a schedule of payments or transfers of the largest 25 payments or transfers of assets to individuals or organizations, determined by value accumulated over the fiscal year, including to individuals, corporations, partnerships, nonprofit organizations, and other organizations.

(b) An auditor of a local educational agency that offers independent study pursuant to Article 5.5 (commencing with Section 51744) of Chapter 5 of Part 28 of Division 4 shall verify the pupil-to-teacher ratio of the school or program and include this information in the audit.

SEC. 6. Section 42238.024 of the Education Code is amended to read:

1 42238.024. (a) Commencing with the 2023–24 fiscal year, the
2 sum of three hundred million dollars (\$300,000,000) is hereby
3 appropriated each fiscal year from the General Fund to the
4 Superintendent for allocation for the Local Control Funding
5 Formula Equity Multiplier apportionment in the manner and for
6 the purposes set forth in this section. Commencing with the
7 2024–25 fiscal year, the amount appropriated pursuant to this
8 subdivision shall be adjusted each fiscal year by the percentage
9 change applied pursuant to paragraph (2) of subdivision (d) of
10 Section 42238.02 for that fiscal year.

11 (b) (1) Funds appropriated pursuant to subdivision (a) shall be
12 made available by the Superintendent to eligible local educational
13 agencies for allocation to schoolsites eligible pursuant to paragraph
14 (2) for evidence-based services and supports for pupils, with a
15 demonstration of how the resulting services and supports are
16 increased or improved in comparison to services and supports that
17 would have been provided at the schoolsites if the funding were
18 not provided. Funds appropriated pursuant to subdivision (a) shall
19 supplement, not supplant, funding provided for these schoolsites
20 for purposes of the local control funding formula pursuant to
21 Section 2574, 2575, or 42238.02, the Expanded Learning
22 Opportunities Program pursuant to Section 46120, the Literacy
23 Coaches and Reading Specialists Grant Program established
24 pursuant to Section 137 of Chapter 52 of the Statutes of 2022, and
25 the California Community Schools Partnership Act (Chapter 6
26 (commencing with Section 8900) of Part 6 of Division 1 of Title
27 1).

28 (2) For schoolsites with prior year nonstability rates greater than
29 25 percent and prior year socioeconomically disadvantaged pupil
30 rates of greater than 70 percent, funding shall be allocated on a
31 per-unit basis of the schoolsite’s total prior year adjusted
32 cumulative enrollment. The per-unit funding amount is based on
33 total statewide eligible enrollment and the amount of funds
34 available, as reported in the stability rate data file.

35 (3) An eligible schoolsite shall not receive funding pursuant to
36 paragraph (2) of less than fifty thousand dollars (\$50,000), adjusted
37 each fiscal year by percentage change applied pursuant to paragraph
38 (2) of subdivision (d) of Section 42238.02 for that fiscal year.

(4) A schoolsite deemed eligible pursuant to paragraph (2) shall instead be deemed ineligible if it meets either of the following criteria:

(A) The schoolsite has closed in the year in which the funds are to be allocated, as reported pursuant to paragraph (2) of subdivision (f) of Section 60900.

(B) Commencing with the 2024–25 fiscal year, the local educational agency generated funding for a schoolsite pursuant to paragraph (2) due to a pupil being enrolled in the school district office.

(5) Unspent funds from any fiscal year provided to a local educational agency with a schoolsite that has closed, as reported pursuant to paragraph (2) of subdivision (f) of Section 60900, shall be returned to the department. Local educational agencies shall report the total amount of unspent funds in accordance with instructions and forms prescribed and furnished by the Superintendent.

(c) For purposes of this section, the following definitions apply:

(1) “Eligible local educational agency” means a school district, county office of education, or charter school that generates a local control funding formula entitlement pursuant to Sections 2574, 2575, or 42238.02, excluding a charter school classified as a flex-based charter school as of the prior fiscal year’s second principal apportionment certification pursuant to Section 47612.5.

(2) “Nonstability rate” means the percentage of pupils who are either enrolled for less than 245 continuous days between July 1 and June 30 of the prior school year, or exited from a school between July 1 and June 30 of the prior school year due to either truancy, expulsion, or for unknown reasons and without stable subsequent enrollment at another school as identified in the stability rate data file.

(3) “Prior year adjusted cumulative enrollment” means any enrollment with a start date in the school year in transitional kindergarten, kindergarten, and grades 1 to 12, inclusive, as identified in the stability rate data file.

(4) “Schoolsite” means an individual school in an eligible local educational agency, excluding the school district office.

(5) “Socioeconomically disadvantaged pupil rate” means the percentage of pupils that meet any of the following criteria for the prior school year:

1 (A) Neither of the pupil’s parents has a high school diploma.

2 (B) The pupil is eligible for free or reduced-price meals under
3 the federal National School Lunch Program, including by direct
4 certification.

5 (C) The pupil is a migratory child for purposes of Part C
6 (commencing with Section 6391) of Subchapter I of Chapter 70
7 of Title 20 of the United States Code.

8 (D) The pupil is a homeless child or youth.

9 (E) The pupil is a foster youth.

10 (F) The pupil is enrolled in a county juvenile court school.

11 (6) “Stability rate data file” means the initial publication of the
12 annual file published by the department for the prior school year
13 that will be used to determine a schoolsite’s prior year adjusted
14 cumulative enrollment, nonstability rate, and socioeconomically
15 disadvantaged rate for the purposes of calculating funding pursuant
16 to this section for an eligible local educational agency.

17 (d) Notwithstanding Section 10231.5 of the Government Code,
18 by February 1, 2025, and each February 1 thereafter, the
19 department, using existing resources, shall submit an annual report
20 to the relevant policy and fiscal committees of the Legislature, the
21 state board, and the Department of Finance that includes the
22 following information on pupil outcomes at schoolsites that receive
23 funding pursuant to this section and statewide pupil outcomes:

24 (1) Pupil subgroup data captured in the stability rate data file,
25 based on enrollment at the eligible schoolsite.

26 (2) Number of truant pupils captured in the stability rate data
27 file and enrolled at the eligible schoolsite.

28 (3) Number of expelled pupils captured in the stability rate data
29 file and enrolled at the eligible schoolsite.

30 (4) Number of pupils whose reasons for exit from the schoolsite
31 are unknown, as captured in the stability rate data file, and enrolled
32 at the eligible schoolsite.

33 (5) Performance of the eligible schoolsites on California School
34 Dashboard state indicators, disaggregated by pupil subgroup.

35 (e) For purposes of making the computations required by Section
36 8 of Article XVI of the California Constitution, the appropriations
37 made by subdivision (a) shall be deemed to be “General Fund
38 revenues appropriated for school districts,” as defined in
39 subdivision (c) of Section 41202, for the fiscal year for which the
40 appropriation is made, and included within the “total allocations

1 to school districts and community college districts from General
2 Fund proceeds of taxes appropriated pursuant to Article XIII B,”
3 as defined in subdivision (e) of Section 41202, for the fiscal year
4 for which the appropriation is made.

5 SEC. 7. Section 43521 of the Education Code is amended to
6 read:

7 43521. (a) The sum of four billion five hundred forty-one
8 million one hundred thirteen thousand dollars (\$4,541,113,000)
9 from the General Fund, and the sum of two billion sixteen million
10 three hundred thirty thousand dollars (\$2,016,330,000) from the
11 Federal Trust Fund, are hereby appropriated to the Superintendent
12 for apportionment in the 2020–21 fiscal year pursuant to this
13 chapter. Funds apportioned to eligible local educational agencies
14 from the Federal Trust Fund pursuant to this subdivision shall be
15 used for costs dating back to March 13, 2020, and shall be
16 consistent with the terms, tracking and reporting requirements,
17 and period of fund availability in accordance with federal law for
18 all of the following:

19 (1) Six hundred seventy million nine hundred sixty-three
20 thousand dollars (\$670,963,000) from the Elementary and
21 Secondary School Emergency Relief Fund pursuant to the federal
22 Coronavirus Response and Relief Supplemental Appropriations
23 Act, 2021, (Public Law 116-260) available for obligation through
24 September 30, 2023, unless otherwise provided in federal law.

25 (2) One hundred fifty-three million nine hundred ninety-two
26 thousand dollars (\$153,992,000) from the Governor’s Emergency
27 Education Relief Fund pursuant to the federal Coronavirus
28 Response and Relief Supplemental Appropriations Act, 2021,
29 (Public Law 116-260) available for obligation through September
30 30, 2023, unless otherwise provided in federal law.

31 (3) Four hundred thirty-seven million three hundred ninety
32 thousand dollars (\$437,390,000) from the Elementary and
33 Secondary School Emergency Relief Fund pursuant to the federal
34 American Rescue Plan Act of 2021 (Public Law 117-2) available
35 for obligation through September 30, 2024, unless otherwise
36 provided in federal law. For the purposes of Section 2001(f)(4) of
37 the federal American Rescue Plan Act of 2021 (Public Law 117-2),
38 this constitutes the state’s reserve of funds for emergency needs.

39 (4) Seven hundred fifty-three million nine hundred eighty-five
40 thousand dollars (\$753,985,000) from the Elementary and

1 Secondary School Emergency Relief Fund state level reservation
2 to address learning loss, pursuant to the federal American Rescue
3 Plan Act of 2021 (Public Law 117-2) available for obligation
4 through September 30, 2024, unless otherwise provided in federal
5 law. For the purposes of Section 2001(f)(1) of the federal American
6 Rescue Plan Act of 2021 (Public Law 117-2), this constitutes the
7 state's reserve of funds to carry out activities to address learning
8 loss.

9 (b) Of the amount appropriated pursuant to subdivision (a), four
10 billion five hundred fifty-seven million four hundred forty-three
11 thousand dollars (\$4,557,443,000) shall be apportioned to local
12 educational agencies and state special schools in the following
13 manner:

14 (1) A local educational agency shall receive one thousand dollars
15 (\$1,000) per homeless pupil enrolled in the 2020–21 fiscal year
16 as reported in the California Longitudinal Pupil Achievement Data
17 System as of the 2020–21 Fall 1 Submission.

18 (2) A state special school shall receive seven hundred
19 twenty-five dollars (\$725) for each unit of average daily attendance
20 as of the 2020–21 second principal apportionment certification.
21 The average daily attendance for each state special school shall
22 be deemed to be 97 percent of the enrollment as reported in the
23 California Longitudinal Pupil Achievement Data System as of the
24 2020–21 Fall 1 Submission.

25 (3) (A) The funds remaining after the apportionments in
26 paragraphs (1) and (2) shall be apportioned proportionally on the
27 basis of a local educational agency's local control funding formula
28 entitlement determined as of the 2020–21 second principal
29 apportionment certification, pursuant to Sections 42238.02 and
30 42238.025, or subdivision (e) of Section 2574 or subdivision (a)
31 of Section 2575, as applicable. For purposes of this paragraph,
32 entitlements shall include apportionments allocated pursuant to
33 Section 41544 and Article 7 (commencing with Section 48300) of
34 Chapter 2 of Part 27.

35 (B) Consistent with Section 2576, a county office of education's
36 local control funding formula entitlement for purposes of
37 subparagraph (A) shall include funding that the Superintendent
38 transferred to the county where a pupil is enrolled, equal to the
39 amount calculated for the school district of residence pursuant to
40 Section 42238.02 for each unit of average daily attendance credited

1 to the school district of residence as of the 2020–21 second
2 principal apportionment certification.

3 (c) (1) Of the amount appropriated from the General Fund
4 pursuant to subdivision (a), two billion dollars (\$2,000,000,000)
5 shall be apportioned to local educational agencies, excluding a
6 charter school classified as a nonclassroom-based charter school
7 as of the 2019–20 second principal apportionment certification
8 pursuant to Section 47612.5, as that section read on that date, based
9 on the apportionment methodology described in paragraph (3) of
10 subdivision (b).

11 (2) (A) A local educational agency's apportionment of funds
12 pursuant to paragraph (1) shall be reduced pursuant to subparagraph
13 (B) if the local educational agency does not provide in-person
14 instruction pursuant to paragraph (3).

15 (B) (i) From April 1, 2021, to May 15, 2021, inclusive, a local
16 educational agency's apportionment of funds pursuant to paragraph
17 (1) shall be reduced by 1 percent for each day of instruction
18 provided for in the school calendar that the local educational
19 agency does not provide in-person instruction pursuant to paragraph
20 (3), as identified in the school calendar adopted for the 2020–21
21 school year that is in effect on March 1, 2021.

22 (ii) If a local educational agency does not provide in-person
23 instruction pursuant to paragraph (3) on or before May 15, 2021,
24 it shall forfeit all funds apportioned pursuant to paragraph (1).

25 (iii) If a local educational agency does not offer continuous
26 in-person instruction for pupils pursuant to subparagraphs (A) to
27 (C), inclusive, of paragraph (3) from when it commences offering
28 in-person instruction through the end of the scheduled 2020–21
29 school year, unless otherwise ordered by a state or local health
30 officer, it shall forfeit all funds apportioned pursuant to paragraph
31 (1). The scheduled school year is the adopted school calendar for
32 the 2020–21 school year that is in effect on March 1, 2021.

33 (3) For purposes of this subdivision, a local educational agency
34 shall be considered to be offering in-person instruction if it does
35 at least all of the following:

36 (A) For a local educational agency in a county in the purple tier
37 pursuant to the State Department of Public Health's Blueprint for
38 a Safer Economy that is neither open nor eligible to open as defined
39 in the COVID-19 industry sector guidance for schools and
40 school-based programs, the local educational agency offers optional

1 in-person instruction pursuant to the State Department of Public
2 Health's Guidance Related to Cohorts to all pupils who are
3 individuals with exceptional needs, if consistent with each pupil's
4 individualized education program, and to all prioritized pupil
5 groups described in paragraph (4), unless the number of pupils in
6 the prioritized pupil groups seeking in-person instruction exceeds
7 the practical capacity of a local educational agency to maintain
8 health and safety pursuant to its COVID-19 safety plan, in which
9 case the local educational agency may limit the number of pupils
10 within the prioritized pupil groups that receive in-person instruction
11 to its maximum practical capacity.

12 (B) For elementary schools, for kindergarten and grades 1 to 6,
13 inclusive, as applicable, the following applies:

14 (i) For a local educational agency in a county in the purple tier
15 pursuant to the State Department of Public Health's Blueprint for
16 a Safer Economy, when eligible pursuant to COVID-19 industry
17 sector guidance for schools and school-based programs, the local
18 educational agency offers optional in-person instruction to all
19 pupils required to be offered in-person instruction pursuant to
20 subparagraph (A), and to all pupils in kindergarten and grades 1
21 and 2.

22 (ii) When eligible pursuant to COVID-19 industry sector
23 guidance for schools and school-based programs to provide
24 in-person instruction for kindergarten and grades 1 to 12, inclusive,
25 the local educational agency offers optional in-person instruction
26 to all pupils required to be offered in-person instruction pursuant
27 to clause (i), and to all pupils in grade 3 through the highest
28 elementary school grade, up to grade 6, inclusive.

29 (C) For middle schools and high schools, for grades 6 to 12,
30 inclusive, as applicable, when eligible pursuant to COVID-19
31 industry sector guidance for schools and school-based programs
32 to provide in-person instruction for kindergarten and grades 1 to
33 12, inclusive, the local educational agency offers optional in-person
34 instruction to all pupils required to be offered in-person instruction
35 pursuant to subparagraph (A), and to all pupils in at least one full
36 grade level.

37 (D) (i) Except as provided in clause (ii), for a local educational
38 agency in a county in the purple tier pursuant to the State
39 Department of Public Health's Blueprint for a Safer Economy, the
40 local educational agency conducts asymptomatic testing for staff

1 and pupils participating in in-person instruction consistent with
2 the state-supported cadences set forth in the COVID-19 industry
3 sector guidance for schools and school-based programs.

4 (ii) The requirement in clause (i) does not apply if, on or before
5 March 31, 2021, the local educational agency is providing
6 in-person instruction or the governing board or body of the local
7 educational agency has adopted a plan to provide in-person
8 instruction and has publicly posted its COVID-19 safety plan on
9 its internet website. A local educational agency in a county that
10 moves from the purple tier into the red, orange, or yellow tier
11 pursuant to the State Department of Public Health's Blueprint for
12 a Safer Economy, is not required to maintain asymptomatic testing
13 for staff and pupils participating in in-person instruction consistent
14 with the state-supported cadences set forth in the COVID-19
15 industry sector guidance for schools and school-based programs.

16 (4) For the purposes of this subdivision, "prioritized pupil
17 groups" shall include all of the following:

18 (A) Pupils at risk for abuse, neglect, or exploitation.

19 (B) Homeless pupils.

20 (C) Foster youth.

21 (D) English learners.

22 (E) Pupils without access to a computing device, software, and
23 high-speed internet necessary to participate in online instruction,
24 as determined by the local educational agency.

25 (F) Disengaged pupils.

26 (5) On or before June 1, 2021, a local educational agency shall
27 certify its compliance with paragraph (3) using a form the State
28 Department of Education shall provide for this purpose. The State
29 Department of Education shall make this form available publicly
30 on its internet website on or before May 1, 2021.

31 (6) (A) The State Department of Education's calculation of a
32 local educational agency's apportionment of remaining state funds
33 pursuant to subdivision (f) shall include a reduction equal to the
34 amount of funds reduced pursuant to clause (i) of subparagraph
35 (B) of paragraph (2) or forfeited pursuant to clause (ii) of
36 subparagraph (B) of paragraph (2).

37 (B) Any funds reduced pursuant to clause (i) of subparagraph
38 (B) of paragraph (2) or forfeited pursuant to clause (ii) of
39 subparagraph (B) of paragraph (2) shall be redistributed in the
40 calculations made pursuant to paragraph (1).

(d) A local educational agency receiving funds pursuant to this section shall comply with the requirements of Section 43503 for all pupils participating in distance learning, instructional time requirements pursuant to Section 43501 for the 2020–21 school year, and applicable instructional day requirements pursuant to Chapter 2 (commencing with Section 46100) of Part 26 of Division 4 for the 2021–22 school year.

(e) Within 15 days of March 5, 2021, the State Department of Education shall notify each local educational agency and state special school of its estimated apportionments under subdivisions (b) and (c), as applicable.

(f) (1) State funds apportioned to a local educational agency or state special school pursuant to this section shall be provided by the Controller to the local educational agency or state special school as follows:

(A) In May 2021, an amount equal to 50 percent of the amount determined under subdivision (e) for the local educational agency or state special school using 2020–21 first principal apportionment certification data and 2020–21 preliminary California Longitudinal Pupil Achievement Data System Fall 1 data.

(B) On or before December 31, 2021, the remaining amount of state funds owed under this section, after reductions pursuant to paragraph (6) of subdivision (c), to the local educational agency or state special school using 2020–21 second principal apportionment data and 2020–21 final California Longitudinal Pupil Achievement Data System Fall 1 data. If based on the final data, the amount paid by the Controller in May 2021 exceeds the amount of state funding owed to a local educational agency, the State Department of Education may offset the local educational agency’s monthly principal apportionment payment to recover the overpayment of state funds.

(2) State funds apportioned to a local educational agency or state special school pursuant to this section shall be available for expenditure through September 30, 2024. Federal funds apportioned to a local educational agency or state special school pursuant to this section shall be available for expenditure pursuant to the period of fund availability specified in paragraphs (1) to (4), inclusive, of subdivision (a).

(g) Neither the funding conditions or other requirements established in this chapter or Article 8 (commencing with Section

1 32090) of Chapter 1 of Part 19 of Division 1 of Title 1, nor the
2 issuance of any nonmandatory guidance by the State Department
3 of Public Health shall be construed as creating or establishing an
4 affirmative obligation for a local educational agency to revise its
5 completed COVID-19 safety plan that is publicly posted on its
6 internet website on or before March 31, 2021.

7 (h) Notwithstanding subdivisions (b) and (c), a charter school
8 that has ceased operation on or before March 5, 2021, shall not be
9 allocated funding pursuant to this section.

10 (i) For purposes of apportionments made pursuant to this section
11 from federal funds described in paragraphs (1) to (4), inclusive,
12 of subdivision (a), funding for a locally funded charter school shall
13 be included in the apportionment of the chartering authority.

14 (j) (1) For purposes of making the computations required by
15 Section 8 of Article XVI of the California Constitution, of the
16 amount appropriated from the General Fund in subdivision (a),
17 one billion three hundred sixty-four million nine hundred thirty-one
18 thousand dollars (\$1,364,931,000) shall be deemed to be “General
19 Fund revenues appropriated for school districts,” as defined in
20 subdivision (c) of Section 41202, for the 2019–20 fiscal year, and
21 included within the “total allocations to school districts and
22 community college districts from General Fund proceeds of taxes
23 appropriated pursuant to Article XIII B,” as defined in subdivision
24 (e) of Section 41202, for the 2019–20 fiscal year.

25 (2) For purposes of making the computations required by Section
26 8 of Article XVI of the California Constitution, of the amount
27 appropriated from the General Fund in subdivision (a), three billion
28 one hundred seventy-six million one hundred eighty-two thousand
29 dollars (\$3,176,182,000) shall be deemed to be “General Fund
30 revenues appropriated for school districts,” as defined in
31 subdivision (c) of Section 41202, for the 2020–21 fiscal year, and
32 included within the “total allocations to school districts and
33 community college districts from General Fund proceeds of taxes
34 appropriated pursuant to Article XIII B,” as defined in subdivision
35 (e) of Section 41202, for the 2020–21 fiscal year.

36 ~~SEC. 8. Section 46211 of the Education Code is amended to~~
37 ~~read:~~

38 ~~46211. (a) Beginning July 1, 2025, to address the educational~~
39 ~~and fiscal impacts of pupil absences, a local educational agency~~
40 ~~may implement attendance recovery programs for pupils to make~~

1 up lost instructional time and offset absences, including reducing
2 chronic absenteeism.

3 ~~(b) (1) An attendance recovery program implemented pursuant~~
4 ~~to this article may be operated before or after school, on weekends,~~
5 ~~or during intersessional periods. Local educational agencies that~~
6 ~~operate attendance recovery programs shall offer access to~~
7 ~~attendance recovery programs throughout the school year,~~
8 ~~including, at least once during each term, such as each trimester~~
9 ~~or quarter. Average daily attendance generated through an~~
10 ~~attendance recovery program shall be credited to the school year~~
11 ~~in which the attendance recovery program is operated and the local~~
12 ~~educational agency in which the pupil is enrolled.~~

13 ~~(2) Instructional time included for the purposes of generating~~
14 ~~average daily attendance pursuant to this section shall not be~~
15 ~~included within the instructional time used to meet the annual day~~
16 ~~and minute requirements pursuant to Sections 46207, 46208,~~
17 ~~47612, and 47612.5 of this code, and Section 11960 of Title 5 of~~
18 ~~the California Code of Regulations, as applicable.~~

19 ~~(c) Participation in an attendance recovery program shall not~~
20 ~~be compulsory or punitive for pupils. Pupils concurrently~~
21 ~~participating in both an attendance recovery program and an~~
22 ~~expanded learning opportunities program pursuant to Section 46120~~
23 ~~shall retain their ability to participate in the entirety of an expanded~~
24 ~~learning opportunities program's offerings pursuant to Section~~
25 ~~46120 for the duration of the school year.~~

26 ~~(d) (1) For participation in an attendance recovery program, a~~
27 ~~pupil shall not be credited with more than the lesser of the~~
28 ~~equivalent of 10 days of attendance in a school year, or the number~~
29 ~~of absences the pupil accrued in that school year. For purposes of~~
30 ~~meeting all of the requirements of this section, an individual pupil~~
31 ~~shall not be credited with more than one day of attendance for any~~
32 ~~calendar day of participation in an attendance recovery program.~~

33 ~~(2) A pupil shall not be credited with more than five days of~~
34 ~~attendance per school week for school districts or county offices~~
35 ~~of education, or more than one day of attendance in a calendar day~~
36 ~~when school is actually taught pursuant to Section 47612 of this~~
37 ~~code and Section 11960 of Title 5 of the California Code of~~
38 ~~Regulations for charter schools.~~

39 ~~(3) Attendance accrued through participation in an attendance~~
40 ~~recovery program shall be tracked and reported to the department~~

1 by local educational agencies separately from average daily
2 attendance generated during the schoolday in classroom-based
3 programs.

4 (4) When reporting attendance accrued through participation in
5 an attendance recovery program to the department pursuant to
6 Sections 60900 and 60901, consistent with paragraph (3), the
7 attendance shall be reported separately from those days of
8 attendance not accrued through participation in an attendance
9 recovery program. The department shall also separately report
10 days accrued through attendance recovery programs on its internet
11 website.

12 (e) (1) Notwithstanding Sections 46112, 46113, 46114, 46117,
13 46141, 46142, 46146, 46146.5, 46148, 46170, 46180, 48645.3,
14 and 48663, pupils participating in an attendance recovery program
15 operating pursuant to this section may generate average daily
16 attendance. Average daily attendance generated through a pupil's
17 participation in an attendance recovery program may be
18 accumulated in increments of one hour, as documented by the
19 teacher of each attendance recovery classroom described in
20 subdivision (g) and maintained by the local educational agency.
21 A pupil shall only be credited with not less than a full day of
22 attendance in an attendance recovery program, and only once the
23 amount of time that a pupil participates in an attendance recovery
24 program meets the applicable minimum daily minutes requirements
25 pursuant to Article 2 (commencing with Section 46110) and Article
26 3 (commencing with Section 46140), including the minimum
27 schoolday for a pupil with an individualized education program
28 pursuant to Section 46307, up to the limits established in
29 subdivision (d).

30 (2) (A) For the purposes of computing average daily attendance
31 for purposes of this article, the minimum daily instructional minute
32 requirements pursuant to Article 2 (commencing with Section
33 46110) and Article 3 (commencing with Section 46140) apply to
34 all local educational agencies, including charter schools.

35 (B) Charter schools shall comply with the minimum daily
36 instructional minute requirements for the applicable grade span
37 pursuant to Sections 46112, 46113, 46114, 46117, 46141, and
38 46142.

39 (f) As a condition of generating average daily attendance, an
40 attendance recovery program shall be composed of pupils engaged

1 in educational activities and content aligned to grade-level
2 standards that are substantially equivalent to the pupils' regular
3 instructional program, which may include one-on-one or small
4 group tutoring, and shall be under the immediate supervision and
5 control of a certificated teacher who is also an employee of the
6 local educational agency and who possesses a valid certification
7 document, registered as required by law, pursuant to Sections
8 46300 and 47612.5. An attendance recovery program shall not
9 exceed a pupil-to-certificated teacher ratio of 10 to 1 for transitional
10 kindergarten and kindergarten or 20 to 1 for grades 1 to 12,
11 inclusive. A local educational agency shall maintain documentation
12 demonstrating how the attendance recovery program met the
13 applicable ratios required pursuant to this subdivision.

14 (g) (1) An attendance recovery program shall be provided only
15 as a limited-term option for a classroom-based, regular educational
16 program for pupils in transitional kindergarten, kindergarten, and
17 grades 1 to 12, inclusive. Pupils otherwise enrolled in a
18 nonclassroom-based program, including pupils served by a
19 flex-based charter school pursuant to Section 47612.5, shall not
20 participate in an attendance recovery program and a local
21 educational agency shall not generate apportionment through an
22 attendance recovery program for pupils enrolled in a
23 nonclassroom-based program.

24 (2) (A) For school districts, a pupil is enrolled in a
25 nonclassroom-based program for purposes of this subdivision if
26 the pupil meets the minimum day requirements for independent
27 study and is continually enrolled in independent study for more
28 than 15 schooldays in a school year.

29 (B) For charter schools, a pupil is enrolled in a
30 nonclassroom-based program for purposes of this subdivision if
31 the pupil is continually enrolled in independent study for more
32 than 15 schooldays on any of the days on which school is taught
33 for the purpose of meeting the requirement to offer 175
34 instructional days, as described in Section 11960 of Title 5 of the
35 California Code of Regulations.

36 (3) A charter school that serves pupils pursuant to Section
37 47612.1 shall not participate in an attendance recovery program
38 operated pursuant to this section.

39 (h) On or before June 30, 2025, the department shall develop
40 and maintain on its internet website guidance to support local

1 ~~educational agencies in creating and implementing high-quality~~
2 ~~attendance recovery programs.~~

3 ~~(i) (1) In consultation with the executive director of the state~~
4 ~~board, the department shall research local pupil information~~
5 ~~systems to identify opportunities for local educational agencies to~~
6 ~~collect and report to the state more nuanced data about the reasons~~
7 ~~for pupil absences.~~

8 ~~(2) At a minimum, the department shall investigate opportunities~~
9 ~~to use and improve existing pupil information systems to more~~
10 ~~accurately track pupil absences and their reasons, including, but~~
11 ~~not limited to, those absences caused by each of the following:~~

12 ~~(A) School closures due to emergencies pursuant to Section~~
13 ~~41422.~~

14 ~~(B) Schooldays of materially decreased attendance due to~~
15 ~~emergencies pursuant to Section 46392.~~

16 ~~(C) Pupil absences due to emergencies pursuant to Section~~
17 ~~46392, or any other personal or large-scale emergencies.~~

18 ~~(3) The department shall use the research collected pursuant to~~
19 ~~this subdivision to develop recommendations to amend existing~~
20 ~~laws, regulations, guidance, and processes to collect, aggregate,~~
21 ~~and disaggregate absenteeism data from local educational agencies~~
22 ~~to provide additional clarity on the causes of pupil absenteeism~~
23 ~~across the state, including by pupil subgroup. These~~
24 ~~recommendations shall include steps to calculate an adjusted~~
25 ~~chronic absenteeism rate that does not include absences due to~~
26 ~~emergencies pursuant to Section 46392.~~

27 ~~(4) On or before January 1, 2026, the department shall submit~~
28 ~~a report of its findings and recommendations to the chairs of the~~
29 ~~budget committees of both houses of the Legislature, the~~
30 ~~Superintendent, the executive director of the state board, and the~~
31 ~~Director of Finance.~~

32 ~~(j) Commencing with the 2025–26 fiscal year Guide for Annual~~
33 ~~Audits of K–12 Local Education Agencies and State Compliance~~
34 ~~Reporting, the Controller shall incorporate verification of~~
35 ~~compliance with the requirements specified in subdivisions (d) to~~
36 ~~(g), inclusive, including loss of apportionment for an attendance~~
37 ~~recovery program pursuant to this article for local educational~~
38 ~~agencies found to be noncompliant.~~

39 ~~(k) For purposes of this article, the following terms have the~~
40 ~~following meanings:~~

1 (1) ~~“Local educational agency” means a school district, county~~
2 ~~office of education, or charter school.~~

3 (2) ~~“School year” has the same meaning as described in Section~~
4 ~~37200.~~

5 *SEC. 8. Section 46211 of the Education Code is amended to*
6 *read:*

7 46211. (a) Beginning July 1, 2025, to address the educational
8 and fiscal impacts of pupil absences, a local educational agency
9 may implement attendance recovery programs for pupils to make
10 up lost instructional time and offset absences, including reducing
11 chronic absenteeism.

12 (b) (1) An attendance recovery program implemented pursuant
13 to this article may be operated before or after school, on weekends,
14 or during intersessional periods. Local educational agencies that
15 operate attendance recovery programs shall offer access to
16 attendance recovery programs throughout the school year,
17 including, at least once during each term, such as each trimester
18 or quarter. Average daily attendance generated through an
19 attendance recovery program shall be credited to the school year
20 in which the attendance recovery program is operated and the local
21 educational agency in which the pupil is enrolled.

22 (2) Instructional time included for the purposes of generating
23 average daily attendance pursuant to this section shall not be
24 included within the instructional time used to meet the annual day
25 and minute requirements pursuant to Sections 46207, 46208,
26 47612, and 47612.5 of this code, and Section 11960 of Title 5 of
27 the California Code of Regulations, as applicable.

28 (c) Participation in an attendance recovery program shall not
29 be compulsory or punitive for pupils. Pupils concurrently
30 participating in both an attendance recovery program and an
31 expanded learning opportunities program pursuant to Section 46120
32 shall retain their ability to participate in the entirety of an expanded
33 learning opportunities program’s offerings pursuant to Section
34 46120 for the duration of the school year.

35 (d) (1) For participation in an attendance recovery program, a
36 pupil shall not be credited with more than the lesser of the
37 equivalent of 10 days of attendance in a school year, or the number
38 of absences the pupil accrued in that school year. For purposes of
39 meeting all of the requirements of this section, an individual pupil

1 shall not be credited with more than one day of attendance for any
2 calendar day of participation in an attendance recovery program.

3 (2) A pupil shall not be credited with more than five days of
4 attendance per school week for school districts or county offices
5 of education, or more than one day of attendance in a calendar day
6 when school is actually taught pursuant to Section 47612 of this
7 code and Section 11960 of Title 5 of the California Code of
8 Regulations for charter schools.

9 (3) Attendance accrued through participation in an attendance
10 recovery program shall be tracked and reported to the department
11 by local educational agencies separately from average daily
12 attendance generated during the schoolday in classroom-based
13 programs.

14 (4) When reporting attendance accrued through participation in
15 an attendance recovery program to the department pursuant to
16 Sections 60900 and 60901, consistent with paragraph (3), the
17 attendance shall be reported separately from those days of
18 attendance not accrued through participation in an attendance
19 recovery program. The department shall also separately report
20 days accrued through attendance recovery programs on its internet
21 website.

22 (e) (1) Notwithstanding Sections 46112, 46113, 46114, 46117,
23 46141, 46142, 46146, ~~46148~~, 46146.5, *46148*, 46170, 46180,
24 48645.3, and 48663, pupils participating in an attendance recovery
25 program operating pursuant to this section may generate average
26 daily attendance. Average daily attendance generated through a
27 pupil's participation in an attendance recovery program may be
28 accumulated in increments of one hour, as documented by the
29 teacher of each attendance recovery classroom described in
30 subdivision (g) and maintained by the local educational agency.
31 A pupil shall only be credited with not less than a full day of
32 attendance in an attendance recovery program, and only once the
33 amount of time that a pupil participates in an attendance recovery
34 program meets the applicable minimum daily minutes requirements
35 pursuant to Article 2 (commencing with Section 46110) and Article
36 3 (commencing with Section 46140), including the minimum
37 schoolday for a pupil with an individualized education program
38 pursuant to Section 46307, up to the limits established in
39 subdivision (d).

1 (2) (A) For the purposes of computing average daily attendance
2 for purposes of this article, the minimum daily instructional minute
3 requirements pursuant to Article 2 (commencing with Section
4 46110) and Article 3 (commencing with Section 46140) apply to
5 all local educational agencies, including charter schools, except
6 for county community schools operated pursuant to Chapter 6.5
7 (commencing with Section 1980) of Part 2 of Division 1 of Title
8 1, continuation high schools operated pursuant to Chapter 3
9 (commencing with Section 48400) of Part 27, juvenile court
10 schools operated pursuant to Article 2.5 (commencing with Section
11 48645) of Chapter 4 of Part 27, and community day schools
12 operated pursuant to Article 3 (commencing with Section 48660)
13 of Chapter 4 of Part 27.

14 (B) Charter schools shall comply with the minimum daily
15 instructional minute requirements for the applicable grade span
16 pursuant to Sections 46112, 46113, 46114, 46117, 46141, and
17 46142.

18 (C) County community schools, continuation high schools,
19 juvenile court schools, and community day schools shall comply
20 with schoolday and instructional minute requirements for the
21 applicable setting pursuant to Sections 1983, 46170, 48653.3, and
22 48663.

23 (f) As a condition of generating average daily attendance, an
24 attendance recovery program shall be composed of pupils engaged
25 in educational activities and content aligned to grade level
26 standards that are substantially equivalent to the pupils' regular
27 instructional program, which may include one-on-one or small
28 group tutoring, and shall be under the immediate supervision and
29 control of a certificated teacher who is also an employee of the
30 local educational agency and who possesses a valid certification
31 document, registered as required by law, pursuant to Sections
32 46300 and 47612.5. An attendance recovery program shall not
33 exceed a pupil-to-certificated teacher ratio of 10 to 1 for transitional
34 kindergarten and kindergarten or 20 to 1 for grades 1 to 12,
35 inclusive. A local educational agency shall maintain documentation
36 demonstrating how the attendance recovery program met the
37 applicable ratios required pursuant to this subdivision.

38 (g) (1) An attendance recovery program shall be provided only
39 as a limited-term option for a classroom-based, regular educational
40 program for pupils in transitional kindergarten, kindergarten, and

1 grades 1 to 12, inclusive. Pupils otherwise enrolled in a
2 nonclassroom-based program, including pupils served by a
3 ~~nonclassroom-based~~ *flex-based* charter school pursuant to Section
4 47612.5, shall not participate in an attendance recovery program
5 and a local educational agency shall not generate apportionment
6 through an attendance recovery program for pupils enrolled in a
7 nonclassroom-based program.

8 (2) (A) For school districts, a pupil is enrolled in a
9 nonclassroom-based program for purposes of this subdivision if
10 the pupil meets the minimum day requirements for independent
11 study and is continually enrolled in independent study for more
12 than 15 schooldays in a school year.

13 (B) For charter schools, a pupil is enrolled in a
14 nonclassroom-based program for purposes of this subdivision if
15 the pupil is continually enrolled in independent study for more
16 than 15 schooldays on any of the days on which school is taught
17 for the purpose of meeting the requirement to offer 175
18 instructional days, as described in Section 11960 of Title 5 of the
19 California Code of Regulations.

20 (3) A charter school that serves pupils pursuant to Section
21 47612.1 shall not participate in an attendance recovery program
22 operated pursuant to this section.

23 (h) On or before June 30, 2025, the department shall develop
24 and maintain on its internet website guidance to support local
25 educational agencies in creating and implementing high-quality
26 attendance recovery programs.

27 (i) (1) In consultation with the executive director of the state
28 board, the department shall research local pupil information
29 systems to identify opportunities for local educational agencies to
30 collect and report to the state more nuanced data about the reasons
31 for pupil absences.

32 (2) At a minimum, the department shall investigate opportunities
33 to use and improve existing pupil information systems to more
34 accurately track pupil absences and their reasons, including, but
35 not limited to, those absences caused by each of the following:

36 (A) School closures due to emergencies pursuant to Section
37 41422.

38 (B) Schooldays of materially decreased attendance due to
39 emergencies pursuant to Section 46392.

1 (C) Pupil absences due to emergencies pursuant to Section
2 46392, or any other personal or large-scale emergencies.

3 (3) The department shall use the research collected pursuant to
4 this subdivision to develop recommendations to amend existing
5 laws, regulations, guidance, and processes to collect, aggregate,
6 and disaggregate absenteeism data from local educational agencies
7 to provide additional clarity on the causes of pupil absenteeism
8 across the state, including by pupil subgroup. These
9 recommendations shall include steps to calculate an adjusted
10 chronic absenteeism rate that does not include absences due to
11 emergencies pursuant to Section 46392.

12 (4) On or before January 1, 2026, the department shall submit
13 a report of its findings and recommendations to the chairs of the
14 budget committees of both houses of the Legislature, the
15 Superintendent, the executive director of the state board, and the
16 Director of Finance.

17 (j) Commencing with the 2025–26 fiscal year Guide for Annual
18 Audits of K–12 Local Education Agencies and State Compliance
19 Reporting, the Controller shall incorporate verification of
20 compliance with the requirements specified in subdivisions (d) to
21 (g), inclusive, including loss of apportionment for an attendance
22 recovery program pursuant to this article for local educational
23 agencies found to be noncompliant.

24 (k) For purposes of this article, the following terms have the
25 following meanings:

26 (1) “Local educational agency” means a school district, county
27 office of education, or charter school.

28 (2) “School year” has the same meaning as described in Section
29 37200.

30 SEC. 9. Section 47604.1 of the Education Code is amended to
31 read:

32 47604.1. (a) For purposes of this section, an “entity managing
33 a charter school” means a nonprofit public benefit corporation that
34 operates a charter school consistent with Section 47604. An entity
35 that is not authorized to operate a charter school pursuant to Section
36 47604 is not an “entity managing a charter school” solely because
37 it contracts with a charter school to provide to that charter school
38 goods or task-related services that are performed at the direction
39 of the governing body of the charter school and for which the
40 governing body retains ultimate decisionmaking authority.

(b) A charter school and an entity managing a charter school shall be subject to all of the following:

(1) The Ralph M. Brown Act (Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5 of the Government Code), except that a charter school operated by an entity pursuant to Chapter 5 (commencing with Section 47620) shall be subject to the Bagley-Keene Open Meeting Act (Article 9 (commencing with Section 11120) of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government Code) regardless of the authorizing entity.

(2) (A) The California Public Records Act (Division 10 (commencing with Section 7920.000) of Title 1 of the Government Code).

(B) (i) The chartering authority of a charter school shall be the custodian of records with regard to any request for information submitted to the charter school if either of the following ~~apply~~ *applies*:

(I) The charter school is located on a federally recognized California Indian reservation or rancheria.

(II) The charter school is operated by a nonprofit public benefit corporation that was formed on or before May 31, 2002, and is currently operated by a federally recognized California Indian tribe.

(ii) This subparagraph does not allow a chartering authority to delay or obstruct access to records otherwise required under the California Public Records Act (Division 10 (commencing with Section 7920.000) of Title 1 of the Government Code).

(3) Article 4 (commencing with Section 1090) of Chapter 1 of Division 4 of Title 1 of the Government Code.

(4) (A) The Political Reform Act of 1974 (Title 9 (commencing with Section 81000) of the Government Code).

(B) For purposes of Section 87300 of the Government Code, a charter school and an entity managing a charter school shall be considered an agency and is the most decentralized level for purposes of adopting a conflict-of-interest code.

(c) (1) (A) The governing body of one charter school shall meet within the physical boundaries of the county in which the charter school is located.

(B) A two-way teleconference location shall be established at each schoolsite.

1 (2) (A) The governing body of one flex-based charter school
2 that does not have a facility or operates one or more resource
3 centers shall meet within the physical boundaries of the county in
4 which the greatest number of pupils who are enrolled in that charter
5 school reside.

6 (B) A two-way teleconference location shall be established at
7 each resource center.

8 (3) (A) For a governing body of an entity managing one or
9 more charter schools located within the same county, the governing
10 body of the entity managing a charter school shall meet within the
11 physical boundaries of the county in which that charter school or
12 schools are located.

13 (B) A two-way teleconference location shall be established at
14 each schoolsite and each resource center.

15 (4) (A) For a governing body of an entity that manages two or
16 more charter schools that are not located in the same county, the
17 governing body of the entity managing the charter schools shall
18 meet within the physical boundaries of the county in which the
19 greatest number of pupils enrolled in those charter schools managed
20 by that entity reside.

21 (B) A two-way teleconference location shall be established at
22 each schoolsite and each resource center.

23 (C) The governing body of the entity managing the charter
24 schools shall audio record, video record, or both, all the governing
25 board meetings and post the recordings on each charter school's
26 internet website.

27 (5) This subdivision does not limit the authority of the governing
28 body of a charter school and an entity managing a charter school
29 to meet outside the boundaries described in this subdivision if
30 authorized by Section 54954 of the Government Code, and the
31 meeting place complies with Section 54961 of the Government
32 Code.

33 (d) Notwithstanding Article 4 (commencing with Section 1090)
34 of Chapter 1 of Division 4 of Title 1 of the Government Code, an
35 employee of a charter school shall not be disqualified from serving
36 as a member of the governing body of the charter school because
37 of that employee's employment status. A member of the governing
38 body of a charter school who is also an employee of the charter
39 school shall abstain from voting on, or influencing or attempting

1 to influence another member of the governing body regarding, all
2 matters uniquely affecting that member's employment.

3 (e) To the extent a governing body of a charter school or an
4 entity managing a charter school engages in activities that are
5 unrelated to a charter school, Article 4 (commencing with Section
6 1090) of Chapter 1 of Division 4 of Title 1 of the Government
7 Code, the Ralph M. Brown Act (Chapter 9 (commencing with
8 Section 54950) of Part 1 of Division 2 of Title 5 of the Government
9 Code), the Bagley-Keene Open Meeting Act (Article 9
10 (commencing with Section 11120) of Chapter 1 of Part 1 of
11 Division 3 of Title 2 of the Government Code), the California
12 Public Records Act (Division 10 (commencing with Section
13 7920.000) of Title 1 of the Government Code), and the Political
14 Reform Act of 1974 (Title 9 (commencing with Section 81000)
15 of the Government Code) shall not apply with regard to those
16 unrelated activities unless otherwise required by law.

17 (f) A meeting of the governing body of a charter school to
18 discuss items related to the operation of the charter school shall
19 not include the discussion of any item regarding an activity of the
20 governing body that is unrelated to the operation of the charter
21 school.

22 (g) The requirements of this section shall not be waived by the
23 state board pursuant to Section 33050 or any other law.

24 SEC. 10. Section 47604.3 of the Education Code is amended
25 to read:

26 47604.3. A charter school and an entity managing a charter
27 school shall promptly respond to all reasonable inquiries, including,
28 but not limited to, inquiries regarding its respective financial
29 records and contracts, from its chartering authority, the county
30 office of education that has jurisdiction over the charter school's
31 chartering authority, or from the Superintendent and shall consult
32 with the chartering authority, the county office of education, or
33 the Superintendent regarding any inquiries.

34 SEC. 11. Section 47604.32 of the Education Code is amended
35 to read:

36 47604.32. (a) Each chartering authority, in addition to any
37 other duties imposed by this part, shall do all of the following with
38 respect to each charter school under its authority:

39 (1) Identify at least one staff member as a contact person for
40 the charter school.

1 (2) Visit each charter school at least annually.

2 (3) Ensure that each charter school under its authority complies
3 with all reports required of charter schools by law, including the
4 local control and accountability plan and annual update to the local
5 control and accountability plan required pursuant to Section
6 47606.5.

7 (4) Monitor the fiscal condition, including enrollment and
8 attendance data, and a review of a sample of credit and debit card
9 transactions of each charter school under its authority. The
10 chartering authority shall provide the governing body of the charter
11 school with feedback on any issues of concern identified in the
12 review and an opportunity to respond. If in the course of the review,
13 the chartering authority has reasonable suspicion that fraud,
14 misappropriations of public funds, embezzlement, or other financial
15 crimes may be occurring, the chartering authority shall notify the
16 department and the county office of education.

17 (5) Provide timely notification to the department if any of the
18 following circumstances ~~occur~~ occurs or will occur with regard
19 to a charter school for which it is the chartering authority:

20 (A) A renewal of the charter is granted or denied.

21 (B) The charter is revoked.

22 (C) The charter school will cease operation for any reason.

23 (6) Provide notification to the charter school governing board
24 within 60 days of any material concern arising out of the chartering
25 authority's ongoing oversight and monitoring activities.

26 (b) The cost of performing the duties required by this section
27 shall be funded with supervisorial oversight fees collected pursuant
28 to Section 47613.

29 SEC. 12. Section 47604.5 of the Education Code is amended
30 to read:

31 47604.5. The state board, or the state board's designee, shall
32 promptly investigate allegations of false claims or misappropriation
33 of public funds by charter schools if there is probable cause to
34 believe that those crimes have occurred. The state board may,
35 based upon and in concurrence with the recommendation of the
36 Superintendent, take appropriate action, including, but not limited
37 to, revocation of the charter school's charter, when the state board
38 finds any of the following:

39 (a) Gross financial mismanagement that jeopardizes the financial
40 stability of the charter school.

1 (b) False claims by the charter school or illegal or substantially
2 improper use of charter school funds for the personal benefit of
3 any officer, director, or fiduciary of the charter school.

4 (c) Substantial and sustained departure from measurably
5 successful practices such that continued departure would jeopardize
6 the educational development of the charter school's pupils.

7 (d) Failure to improve pupil outcomes across multiple state and
8 school priorities identified in the charter pursuant to subparagraph
9 (A) of paragraph (5) of subdivision (c) of Section 47605 or
10 subparagraph (A) of paragraph (5) of subdivision (b) of Section
11 47605.6.

12 (e) The requirements of this section shall not be waived by the
13 state board pursuant to Section 33050 or any other law.

14 SEC. 13. Section 47605 of the Education Code is amended to
15 read:

16 47605. (a) (1) Except as set forth in paragraph (2), a petition
17 for the establishment of a charter school within a school district
18 may be circulated by one or more persons seeking to establish the
19 charter school. A petition for the establishment of a charter school
20 shall identify a single charter school that will operate within the
21 geographic boundaries of that school district. A charter school
22 may propose to operate at multiple sites within the school district
23 if each location is identified in the charter school petition. The
24 petition may be submitted to the governing board of the school
25 district for review after either of the following conditions is met:

26 (A) The petition is signed by a number of parents or legal
27 guardians of pupils that is equivalent to at least one-half of the
28 number of pupils that the charter school estimates will enroll in
29 the charter school for its first year of operation.

30 (B) The petition is signed by a number of teachers that is
31 equivalent to at least one-half of the number of teachers that the
32 charter school estimates will be employed at the charter school
33 during its first year of operation.

34 (2) A petition that proposes to convert an existing public school
35 to a charter school that would not be eligible for a loan pursuant
36 to subdivision (c) of Section 41365 may be circulated by one or
37 more persons seeking to establish the charter school. The petition
38 may be submitted to the governing board of the school district for
39 review after the petition is signed by not less than 50 percent of

1 the permanent status teachers currently employed at the public
2 school to be converted.

3 (3) A petition shall include a prominent statement that a
4 signature on the petition means that the parent or legal guardian
5 is meaningfully interested in having their child or ward attend the
6 charter school, or in the case of a teacher's signature, means that
7 the teacher is meaningfully interested in teaching at the charter
8 school. The proposed charter shall be attached to the petition.

9 (4) After receiving approval of its petition, a charter school that
10 proposes to expand operations to one or more additional sites or
11 grade levels shall request a material revision to its charter and shall
12 notify the chartering authority of those additional locations or
13 grade levels. The chartering authority shall consider whether to
14 approve those additional locations or grade levels at an open, public
15 meeting. If the additional locations or grade levels are approved
16 pursuant to the standards and criteria described in subdivision (c),
17 they shall be a material revision to the charter school's charter.

18 (5) (A) A charter school that established one site outside the
19 boundaries of the school district, but within the county in which
20 that school district is located before January 1, 2020, may continue
21 to operate that site until the charter school submits a request for
22 the renewal of its charter petition. To continue operating the site,
23 the charter school shall do either of the following:

24 (i) First, before submitting the request for the renewal of the
25 charter petition, obtain approval in writing from the school district
26 where the site is operating.

27 (ii) Submit a request for the renewal of the charter petition
28 pursuant to Section 47607 to the school district in which the charter
29 school is located.

30 (B) If a Presidential declaration of a major disaster or emergency
31 is issued in accordance with the federal Robert T. Stafford Disaster
32 Relief and Emergency Assistance Act (42 U.S.C. Sec. 5121 et
33 seq.) for an area in which a charter schoolsite is located and
34 operating, the charter school, for not more than five years, may
35 relocate that site outside the area subject to the Presidential
36 declaration if the charter school first obtains the written approval
37 of the school district where the site is being relocated to.

38 (C) Notwithstanding subparagraph (A), if a charter school was
39 relocated from December 31, 2016, to December 31, 2019,
40 inclusive, due to a Presidential declaration of a major disaster or

1 emergency in accordance with the federal Robert T. Stafford
2 Disaster Relief and Emergency Assistance Act (42 U.S.C. Sec.
3 5121 et seq.), that charter school shall be allowed to return to its
4 original campus location in perpetuity.

5 (D) (i) A charter school in operation and providing educational
6 services to pupils before October 1, 2019, located on a federally
7 recognized California Indian reservation or rancheria or operated
8 by a federally recognized California Indian tribe shall be exempt
9 from the geographic restrictions of paragraph (1) and subparagraph
10 (A) of this paragraph and the geographic restrictions of subdivision
11 (a) of Section 47605.1.

12 (ii) The exemption to the geographic restrictions of subdivision
13 (a) of Section 47605.1 in clause (i) does not apply to flex-based
14 charter schools operating pursuant to Section 47612.5.

15 (E) The department shall regard as a continuing charter school
16 for all purposes a charter school that was granted approval of its
17 petition, that was providing educational services to pupils before
18 October 1, 2019, and is authorized by a different chartering
19 authority due to changes to this paragraph that took effect January
20 1, 2020. This paragraph shall be implemented only to the extent
21 it does not conflict with federal law. In order to prevent any
22 potential conflict with federal law, this paragraph does not apply
23 to covered programs as identified in Section 8101(11) of the federal
24 Elementary and Secondary Education Act of 1965 (20 U.S.C. Sec.
25 7801) to the extent the affected charter school is the restructured
26 portion of a divided charter school pursuant to Section 47654.

27 (6) Commencing January 1, 2003, a petition to establish a charter
28 school shall not be approved to serve pupils in a grade level that
29 is not served by the school district of the governing board
30 considering the petition, unless the petition proposes to serve pupils
31 in all of the grade levels served by that school district.

32 (b) No later than 60 days after receiving a petition, in accordance
33 with subdivision (a), the governing board of the school district
34 shall hold a public hearing on the provisions of the charter, at
35 which time the governing board of the school district shall consider
36 the level of support for the petition by teachers employed by the
37 school district, other employees of the school district, and parents.
38 Following review of the petition and the public hearing, the
39 governing board of the school district shall either grant or deny
40 the charter within 90 days of receipt of the petition, provided,

1 however, that the date may be extended by an additional 30 days
2 if both parties agree to the extension. A petition is deemed received
3 by the governing board of the school district for purposes of
4 commencing the timelines described in this subdivision on the day
5 the petitioner submits a petition to the district office, along with a
6 signed certification that the petitioner deems the petition to be
7 complete. The governing board of the school district shall publish
8 all staff recommendations, including the recommended findings
9 and, if applicable, the certification from the county superintendent
10 of schools prepared pursuant to paragraph (8) of subdivision (c),
11 regarding the petition at least 15 days before the public hearing at
12 which the governing board of the school district will either grant
13 or deny the charter. At the public hearing at which the governing
14 board of the school district will either grant or deny the charter,
15 petitioners shall have equivalent time and procedures to present
16 evidence and testimony to respond to the staff recommendations
17 and findings.

18 (c) In reviewing petitions for the establishment of charter schools
19 pursuant to this section, the chartering authority shall be guided
20 by the intent of the Legislature that charter schools are and should
21 become an integral part of the California educational system and
22 that the establishment of charter schools should be encouraged.
23 The governing board of the school district shall grant a charter for
24 the operation of a school under this part if it is satisfied that
25 granting the charter is consistent with sound educational practice
26 and with the interests of the community in which the school is
27 proposing to locate. The governing board of the school district
28 shall consider the academic needs of the pupils the school proposes
29 to serve. The governing board of the school district shall not deny
30 a petition for the establishment of a charter school unless it makes
31 written factual findings, specific to the particular petition, setting
32 forth specific facts to support one or more of the following
33 findings:

34 (1) The charter school presents an unsound educational program
35 for the pupils to be enrolled in the charter school.

36 (2) The petitioners are demonstrably unlikely to successfully
37 implement the program set forth in the petition.

38 (3) The petition does not contain the number of signatures
39 required by subdivision (a).

1 (4) The petition does not contain an affirmation of each of the
2 conditions described in subdivision (e).

3 (5) The petition does not contain reasonably comprehensive
4 descriptions of all of the following:

5 (A) (i) The educational program of the charter school, designed,
6 among other things, to identify those whom the charter school is
7 attempting to educate, what it means to be an “educated person”
8 in the 21st century, and how learning best occurs. The goals
9 identified in that program shall include the objective of enabling
10 pupils to become self-motivated, competent, and lifelong learners.

11 (ii) The annual goals for the charter school for all pupils and
12 for each subgroup of pupils identified pursuant to Section 52052,
13 to be achieved in the state priorities, as described in subdivision
14 (d) of Section 52060, that apply for the grade levels served, and
15 specific annual actions to achieve those goals. A charter petition
16 may identify additional school priorities, the goals for the school
17 priorities, and the specific annual actions to achieve those goals.

18 (iii) If the proposed charter school will serve high school pupils,
19 the manner in which the charter school will inform parents about
20 the transferability of courses to other public high schools and the
21 eligibility of courses to meet college entrance requirements.
22 Courses offered by the charter school that are accredited by the
23 Western Association of Schools and Colleges may be considered
24 transferable and courses approved by the University of California
25 or the California State University as creditable under the “A to G”
26 admissions criteria may be considered to meet college entrance
27 requirements.

28 (B) The measurable pupil outcomes identified for use by the
29 charter school. “Pupil outcomes,” for purposes of this part, means
30 the extent to which all pupils of the charter school demonstrate
31 that they have attained the skills, knowledge, and attitudes specified
32 as goals in the charter school’s educational program. Pupil
33 outcomes shall include outcomes that address increases in pupil
34 academic achievement both schoolwide and for all pupil subgroups
35 served by the charter school, as that term is defined in subdivision
36 (a) of Section 52052. The pupil outcomes shall align with the state
37 priorities, as described in subdivision (d) of Section 52060, that
38 apply for the grade levels served by the charter school.

39 (C) The method by which pupil progress in meeting those pupil
40 outcomes is to be measured. To the extent practicable, the method

1 for measuring pupil outcomes for state priorities shall be consistent
2 with the way information is reported on a school accountability
3 report card.

4 (D) The governance structure of the charter school, including,
5 but not limited to, the process to be followed by the charter school
6 to ensure parental involvement.

7 (E) The qualifications to be met by individuals to be employed
8 by the charter school.

9 (F) The procedures that the charter school will follow to ensure
10 the health and safety of pupils and staff. These procedures shall
11 require all of the following:

12 (i) That each employee of the charter school furnish the charter
13 school with a criminal record summary as described in Section
14 44237.

15 (ii) For all schools, the development of a school safety plan,
16 which shall include the safety topics listed in subparagraphs (A)
17 to (M), inclusive, of paragraph (2) of subdivision (a) of Section
18 32282. For schools serving pupils in any of grades 7 to 12,
19 inclusive, the development of a school safety plan shall also include
20 the safety topic listed in subparagraph (N) of paragraph (2) of
21 subdivision (a) of Section 32282.

22 (iii) That the school safety plan be reviewed and updated by
23 March 1 of every year by the charter school.

24 (G) The means by which the charter school will achieve a
25 balance of racial and ethnic pupils, special education pupils, and
26 English learner pupils, including redesignated fluent English
27 proficient pupils, as defined by the evaluation rubrics in Section
28 52064.5, that is reflective of the general population residing within
29 the territorial jurisdiction of the school district to which the charter
30 petition is submitted. Upon renewal, for a charter school not
31 deemed to be a local educational agency for purposes of special
32 education pursuant to Section 47641, the chartering authority may
33 consider the effect of school placements made by the chartering
34 authority in providing a free and appropriate public education as
35 required by the federal Individuals with Disabilities Education Act
36 (Public Law 101-476), on the balance of pupils with disabilities
37 at the charter school.

38 (H) Admission policies and procedures, consistent with
39 subdivision (e).

1 (I) The manner in which annual, independent financial audits
2 shall be conducted, which shall employ generally accepted
3 accounting principles, and the manner in which audit exceptions
4 and deficiencies shall be resolved to the satisfaction of the
5 chartering authority.

6 (J) The procedures by which pupils can be suspended or expelled
7 from the charter school for disciplinary reasons or otherwise
8 involuntarily removed from the charter school for any reason.
9 These procedures, at a minimum, shall include an explanation of
10 how the charter school will comply with federal and state
11 constitutional procedural and substantive due process requirements
12 that are consistent with all of the following:

13 (i) For suspensions of fewer than 10 days, provide oral or written
14 notice of the charges against the pupil and, if the pupil denies the
15 charges, an explanation of the evidence that supports the charges
16 and an opportunity for the pupil to present the pupil's side of the
17 story.

18 (ii) For suspensions of 10 days or more and all other expulsions
19 for disciplinary reasons, both of the following:

20 (I) Provide timely, written notice of the charges against the pupil
21 and an explanation of the pupil's basic rights.

22 (II) Provide a hearing adjudicated by a neutral officer within a
23 reasonable number of days at which the pupil has a fair opportunity
24 to present testimony, evidence, and witnesses and confront and
25 cross-examine adverse witnesses, and at which the pupil has the
26 right to bring legal counsel or an advocate.

27 (iii) Contain a clear statement that no pupil shall be involuntarily
28 removed by the charter school for any reason unless the parent or
29 guardian of the pupil has been provided written notice of intent to
30 remove the pupil no less than five schooldays before the effective
31 date of the action. The written notice shall be in the native language
32 of the pupil or the pupil's parent or guardian, or, if the pupil is a
33 homeless child or youth, or a foster child or youth, in the native
34 language of the homeless or foster child's educational rights holder.
35 In the case of a foster child or youth, the written notice shall also
36 be provided to the foster child's attorney and county social worker.
37 If the pupil is an Indian child, as defined in Section 224.1 of the
38 Welfare and Institutions Code, the written notice shall also be
39 provided to the Indian child's tribal social worker and, if applicable,
40 county social worker. The written notice shall inform the pupil,

1 the pupil's parent or guardian, the homeless child's educational
2 rights holder, the foster child's educational rights holder, attorney,
3 and county social worker, or the Indian child's tribal social worker
4 and, if applicable, county social worker of the right to initiate the
5 procedures specified in clause (ii) before the effective date of the
6 action. If the pupil's parent or guardian, the homeless child's
7 educational rights holder, the foster child's educational rights
8 holder, attorney, or county social worker, or the Indian child's
9 tribal social worker or, if applicable, county social worker initiates
10 the procedures specified in clause (ii), the pupil shall remain
11 enrolled and shall not be removed until the charter school issues
12 a final decision. For purposes of this clause, "involuntarily
13 removed" includes disenrolled, dismissed, transferred, or
14 terminated, but does not include suspensions specified in clauses
15 (i) and (ii).

16 (iv) A foster child's educational rights holder, attorney, and
17 county social worker and an Indian child's tribal social worker
18 and, if applicable, county social worker shall have the same rights
19 a parent or guardian of a child has to receive a suspension notice,
20 expulsion notice, manifestation determination notice, involuntary
21 transfer notice, and other documents and related information.

22 (K) The manner by which staff members of the charter schools
23 will be covered by the State Teachers' Retirement System, the
24 Public Employees' Retirement System, or federal social security.

25 (L) The public school attendance alternatives for pupils residing
26 within the school district who choose not to attend charter schools.

27 (M) The rights of an employee of the school district upon
28 leaving the employment of the school district to work in a charter
29 school, and of any rights of return to the school district after
30 employment at a charter school.

31 (N) The procedures to be followed by the charter school and
32 the chartering authority to resolve disputes relating to provisions
33 of the charter.

34 (O) The procedures to be used if the charter school closes. The
35 procedures shall ensure a final audit of the charter school to
36 determine the disposition of all assets and liabilities of the charter
37 school, including plans for disposing of any net assets and for the
38 maintenance and transfer of pupil records.

39 (6) The petition does not contain a declaration of whether or
40 not the charter school shall be deemed the exclusive public

1 employer of the employees of the charter school for purposes of
2 Chapter 10.7 (commencing with Section 3540) of Division 4 of
3 Title 1 of the Government Code.

4 (7) The charter school is demonstrably unlikely to serve the
5 interests of the entire community in which the school is proposing
6 to locate. Analysis of this finding shall include consideration of
7 the fiscal impact of the proposed charter school. A written factual
8 finding under this paragraph shall detail specific facts and
9 circumstances that analyze and consider the following factors:

10 (A) The extent to which the proposed charter school would
11 substantially undermine existing services, academic offerings, or
12 programmatic offerings.

13 (B) Whether the proposed charter school would duplicate a
14 program currently offered within the school district and the existing
15 program has sufficient capacity for the pupils proposed to be served
16 within reasonable proximity to where the charter school intends
17 to locate.

18 (8) The school district is not positioned to absorb the fiscal
19 impact of the proposed charter school. A school district satisfies
20 this paragraph if it has a qualified interim certification pursuant to
21 Section 42131 and the county superintendent of schools, in
22 consultation with the County Office Fiscal Crisis and Management
23 Assistance Team, certifies that approving the charter school would
24 result in the school district having a negative interim certification
25 pursuant to Section 42131, has a negative interim certification
26 pursuant to Section 42131, or is under state receivership. Charter
27 schools proposed in a school district satisfying one of these
28 conditions shall be subject to a rebuttable presumption of denial.

29 (d) (1) Charter schools shall meet all statewide standards and
30 conduct the pupil assessments required pursuant to Section 60605
31 and any other statewide standards authorized in statute or pupil
32 assessments applicable to pupils in noncharter public schools.

33 (2) Charter schools shall, on a regular basis, consult with their
34 parents, legal guardians, and teachers regarding the charter school's
35 educational programs.

36 (e) (1) In addition to any other requirement imposed under this
37 part, a charter school shall be nonsectarian in its programs,
38 admission policies, employment practices, and all other operations,
39 shall not charge tuition, and shall not discriminate against a pupil
40 on the basis of the characteristics listed in Section 220. Except as

1 provided in paragraph (2), admission to a charter school shall not
2 be determined according to the place of residence of the pupil, or
3 of that pupil's parent or legal guardian, within this state, except
4 that an existing public school converting partially or entirely to a
5 charter school under this part shall adopt and maintain a policy
6 giving admission preference to pupils who reside within the former
7 attendance area of that public school.

8 (2) (A) A charter school shall admit all pupils who wish to
9 attend the charter school.

10 (B) If the number of pupils who wish to attend the charter school
11 exceeds the charter school's capacity, attendance, except for
12 existing pupils of the charter school, shall be determined by a
13 public random drawing. Preference shall be extended to pupils
14 currently attending the charter school and pupils who reside in the
15 school district except as provided for in Section 47614.5.
16 Preferences, including, but not limited to, siblings of pupils
17 admitted or attending the charter school and children of the charter
18 school's teachers, staff, and founders identified in the initial charter,
19 may also be permitted by the chartering authority on an individual
20 charter school basis. Priority order for any preference shall be
21 determined in the charter petition in accordance with all of the
22 following:

23 (i) Each type of preference shall be approved by the chartering
24 authority at a public hearing.

25 (ii) Preferences shall be consistent with federal law, the
26 California Constitution, and Section 200.

27 (iii) Preferences shall not result in limiting enrollment access
28 for pupils with disabilities, academically low-achieving pupils,
29 English learners, neglected or delinquent pupils, homeless pupils,
30 or pupils who are economically disadvantaged, as determined by
31 eligibility for any free or reduced-price meal program, foster youth,
32 or pupils based on nationality, race, ethnicity, or sexual orientation.

33 (iv) In accordance with Section 49011, preferences shall not
34 require mandatory parental volunteer hours as a criterion for
35 admission or continued enrollment.

36 (C) In the event of a drawing, the chartering authority shall
37 make reasonable efforts to accommodate the growth of the charter
38 school and shall not take any action to impede the charter school
39 from expanding enrollment to meet pupil demand.

(3) If a pupil is expelled or leaves the charter school without graduating or completing the school year for any reason, the charter school shall notify the superintendent of the school district of the pupil's last known address within 30 days, and shall, upon request, provide that school district with a copy of the cumulative record of the pupil, including report cards or a transcript of grades, and health information. If the pupil is subsequently expelled or leaves the school district without graduating or completing the school year for any reason, the school district shall provide this information to the charter school within 30 days if the charter school demonstrates that the pupil had been enrolled in the charter school. This paragraph applies only to pupils subject to compulsory full-time education pursuant to Section 48200.

(4) (A) A charter school shall not discourage a pupil from enrolling or seeking to enroll in the charter school for any reason, including, but not limited to, academic performance of the pupil or because the pupil exhibits any of the characteristics described in clause (iii) of subparagraph (B) of paragraph (2).

(B) A charter school shall not request a pupil's records or require a parent, guardian, or pupil to submit the pupil's records to the charter school before enrollment.

(C) A charter school shall not encourage a pupil currently attending the charter school to disenroll from the charter school or transfer to another school for any reason, including, but not limited to, academic performance of the pupil or because the pupil exhibits any of the characteristics described in clause (iii) of subparagraph (B) of paragraph (2). This subparagraph shall not apply to actions taken by a charter school pursuant to the procedures described in subparagraph (J) of paragraph (5) of subdivision (c).

(D) The department shall develop a notice of the requirements of this paragraph. This notice shall be posted on a charter school's internet website. A charter school shall provide a parent or guardian, or a pupil if the pupil is 18 years of age or older, a copy of this notice at all of the following times:

(i) When a parent, guardian, or pupil inquires about enrollment.

(ii) Before conducting an enrollment lottery.

(iii) Before disenrollment of a pupil.

(E) (i) A person who suspects that a charter school has violated this paragraph may file a complaint with the chartering authority.

1 (ii) The department shall develop a template to be used for filing
2 complaints pursuant to clause (i).

3 (5) Notwithstanding any other law, a charter school in operation
4 as of July 1, 2019, that operates in partnership with the California
5 National Guard may dismiss a pupil from the charter school for
6 failing to maintain the minimum standards of conduct required by
7 the Military Department.

8 (f) The governing board of a school district shall not require an
9 employee of the school district to be employed in a charter school.

10 (g) The governing board of a school district shall not require a
11 pupil enrolled in the school district to attend a charter school.

12 (h) The governing board of a school district shall require that
13 the petitioner or petitioners provide information regarding the
14 proposed operation and potential effects of the charter school,
15 including, but not limited to, the facilities to be used by the charter
16 school, the manner in which administrative services of the charter
17 school are to be provided, and potential civil liability effects, if
18 any, upon the charter school and upon the school district. The
19 description of the facilities to be used by the charter school shall
20 specify where the charter school intends to locate. The petitioner
21 or petitioners also shall be required to provide financial statements
22 that include a proposed first-year operational budget, including
23 startup costs, and cashflow and financial projections for the first
24 three years of operation. If the school is to be operated by, or as,
25 a nonprofit public benefit corporation, the petitioner shall provide
26 the names and relevant qualifications of all persons whom the
27 petitioner nominates to serve on the governing body of the charter
28 school.

29 (i) In reviewing petitions for the establishment of charter schools
30 within the school district, the governing board of the school district
31 shall give preference to petitions that demonstrate the capability
32 to provide comprehensive learning experiences to pupils identified
33 by the petitioner or petitioners as academically low achieving
34 pursuant to the standards established by the department under
35 Section 54032, as that section read before July 19, 2006.

36 (j) Upon the approval of the petition by the governing board of
37 the school district, the petitioner or petitioners shall provide written
38 notice of that approval, including a copy of the petition, to the
39 applicable county superintendent of schools, the department, and
40 the state board.

(k) (1) (A) (i) If the governing board of a school district denies a petition, the petitioner may elect to submit the petition for the establishment of a charter school to the county board of education. The petitioner shall submit the petition to the county board of education within 30 days of a denial by the governing board of the school district. At the same time the petition is submitted to the county board of education, the petitioner shall also provide a copy of the petition to the school district. The county board of education shall review the petition pursuant to subdivisions (b) and (c). If the petition submitted on appeal contains new or different material terms, the county board of education shall immediately remand the petition to the governing board of the school district for reconsideration, which shall grant or deny the petition within 30 days. If the governing board of the school district denies a petition after reconsideration, the petitioner may elect to resubmit the petition for the establishment of a charter school to the county board of education.

(ii) The county board of education shall review the appeal petition pursuant to subdivision (c). If the denial of the petition was made pursuant to paragraph (8) of subdivision (c), the county board of education shall also review the school district's findings pursuant to paragraph (8) of subdivision (c).

(iii) As used in this subdivision, "material terms" of the petition means the signatures, affirmations, disclosures, documents, and descriptions described in subdivisions (a), (b), (c), and (h), but shall not include minor administrative updates to the petition or related documents due to changes in circumstances based on the passage of time related to fiscal affairs, facilities arrangements, or state law, or to reflect the county board of education as the chartering authority.

(B) If the governing board of a school district denies a petition and the county board of education has jurisdiction over a single school district, the petitioner may elect to submit the petition for the establishment of a charter school to the state board. The state board shall review a petition submitted pursuant to this subparagraph pursuant to subdivision (c). If the denial of a charter petition is reversed by the state board pursuant to this subparagraph, the state board shall designate the governing board of the school district in which the charter school is located as the chartering authority.

1 (2) If the county board of education denies a petition, the
2 petitioner may appeal that denial to the state board.

3 (A) The petitioner shall submit the petition to the state board
4 within 30 days of a denial by the county board of education. The
5 petitioner shall include the findings and documentary record from
6 the governing board of the school district and the county board of
7 education and a written submission detailing, with specific citations
8 to the documentary record, how the governing board of the school
9 district and the county board of education abused their discretion.
10 The governing board of the school district and county board of
11 education shall prepare the documentary record, including
12 transcripts of the public hearing at which the governing board of
13 the school district and county board of education denied the charter,
14 at the request of the petitioner. The documentary record shall be
15 prepared by the governing board of the school district and county
16 board of education no later than 10 business days after the request
17 of the petitioner is made. At the same time the petition and
18 supporting documentation is submitted to the state board, the
19 petitioner shall also provide a copy of the petition and supporting
20 documentation to the school district and the county board of
21 education.

22 (B) If the appeal contains new or different material terms, as
23 defined in clause (iii) of subparagraph (A) of paragraph (1), the
24 state board shall immediately remand the petition to the governing
25 board of the school district to which the petition was submitted
26 for reconsideration. The governing board of the school district
27 shall grant or deny the petition within 30 days. If the governing
28 board of the school district denies a petition after reconsideration,
29 the petitioner may elect to resubmit the petition to the state board.

30 (C) Within 30 days of receipt of the appeal submitted to the
31 state board, the governing board of the school district or county
32 board of education may submit a written opposition to the state
33 board detailing, with specific citations to the documentary record,
34 how the governing board of the school district or the county board
35 of education did not abuse its discretion in denying the petition.
36 The governing board of the school district or the county board of
37 education may submit supporting documentation or evidence from
38 the documentary record that was considered by the governing
39 board of the school district or the county board of education.

(D) The state board's Advisory Commission on Charter Schools shall hold a public hearing to review the appeal and documentary record. Based on its review, the Advisory Commission on Charter Schools shall submit a recommendation to the state board whether there is sufficient evidence to hear the appeal or to summarily deny review of the appeal based on the documentary record. If the Advisory Commission on Charter Schools does not submit a recommendation to the state board, the state board shall consider the appeal, and shall either hear the appeal or summarily deny review of the appeal based on the documentary record at a regular public meeting of the state board.

(E) The state board shall either hear the appeal or summarily deny review of the appeal based on the documentary record. If the state board hears the appeal, the state board may affirm the determination of the governing board of the school district or the county board of education, or both of those determinations, or may reverse only upon a determination that there was an abuse of discretion by each of the governing board of the school district and the county board of education. Abuse of discretion is the most deferential standard of review, under which the state board must give deference to the decisions of the governing board of the school district and the county board of education to deny the petition. If the denial of a charter petition is reversed by the state board, the state board shall designate, in consultation with the petitioner, either the governing board of the school district or the county board of education in which the charter school is located as the chartering authority.

(3) A charter school for which a charter is granted by either the county board of education or the state board based on an appeal pursuant to this subdivision shall qualify fully as a charter school for all funding and other purposes of this part.

(4) A charter school that receives approval of its petition from a county board of education or from the state board on appeal shall be subject to the same requirements concerning geographic location to which it would otherwise be subject if it received approval from the chartering authority to which it originally submitted its petition. A charter petition that is submitted to either a county board of education or to the state board shall meet all otherwise applicable petition requirements, including the identification of the proposed site or sites where the charter school will operate.

1 (5) Upon the approval of the petition by the county board of
2 education, the petitioner or petitioners shall provide written notice
3 of that approval, including a copy of the petition, to the governing
4 board of the school district in which the charter school is located,
5 the department, and the state board.

6 (6) If either the county board of education or the state board
7 fails to act on a petition within 180 days of receipt, the decision
8 of the governing board of the school district to deny the petition
9 shall be subject to judicial review.

10 (l) (1) Teachers in charter schools shall hold the Commission
11 on Teacher Credentialing certificate, permit, or other document
12 required for the teacher's certificated assignment. These documents
13 shall be maintained on file at the charter school and are subject to
14 periodic inspection by the chartering authority. A governing body
15 of a direct-funded charter school may use local assignment options
16 authorized in statute and regulations for the purpose of legally
17 assigning certificated teachers, in accordance with all of the
18 requirements of the applicable statutes or regulations in the same
19 manner as a governing board of a school district. A charter school
20 shall have authority to request an emergency permit or a waiver
21 from the Commission on Teacher Credentialing for individuals in
22 the same manner as a school district.

23 (2) By July 1, 2020, all teachers in charter schools shall obtain
24 a certificate of clearance and satisfy the requirements for
25 professional fitness pursuant to Sections 44339, 44340, and 44341.

26 (3) The Commission on Teacher Credentialing shall include in
27 the bulletins it issues pursuant to subdivision (k) of Section 44237
28 to provide notification to local educational agencies of any adverse
29 actions taken against the holders of any commission documents,
30 notice of any adverse actions taken against teachers employed by
31 charter schools, and shall make this bulletin available to all
32 chartering authorities and charter schools in the same manner in
33 which it is made available to local educational agencies.

34 (m) A charter school shall transmit a copy of its annual,
35 independent financial audit report for the preceding fiscal year, as
36 described in subparagraph (I) of paragraph (5) of subdivision (c),
37 to its chartering authority, the Controller, the county superintendent
38 of schools of the county in which the charter school is sited, unless
39 the county board of education of the county in which the charter
40 school is sited is the chartering authority, and the department by

December 15 of each year. This subdivision does not apply if the audit of the charter school is encompassed in the audit of the chartering authority pursuant to Section 41020.

(n) A charter school may encourage parental involvement, but shall notify the parents and guardians of applicant pupils and currently enrolled pupils that parental involvement is not a requirement for acceptance to, or continued enrollment at, the charter school.

(o) The requirements of this section shall not be waived by the state board pursuant to Section 33050 or any other law.

SEC. 14. Section 47605.1 of the Education Code is amended to read:

47605.1. (a) (1) Notwithstanding any other law, a charter school that is granted a charter from the governing board of a school district or county office of education after July 1, 2002, and commences providing educational services to pupils on or after July 1, 2002, shall locate in accordance with the geographic and site limitations of this part.

(2) Notwithstanding any other law, a charter school that is granted a charter by the state board after July 1, 2002, and commences providing educational services to pupils on or after July 1, 2002, based on the denial of a petition by the governing board of a school district or county board of education, as described in paragraphs (1) and (2) of subdivision (j) of Section 47605, may locate only within the geographic boundaries of the chartering entity that initially denied the petition for the charter.

(3) A charter school that receives approval of its charter from a governing board of a school district, a county office of education, or the state board before July 1, 2002, but does not commence operations until after January 1, 2003, shall be subject to the geographic limitations of this part, in accordance with subdivision (d).

(b) This section is not intended to affect the admission requirements contained in subdivision (d) of Section 47605.

(c) (1) A charter school may establish one resource center, meeting space, or other satellite facility within the jurisdiction of the school district where the charter school is physically located if the following conditions are met:

1 (A) The facility is used exclusively for the educational support
2 of pupils who are enrolled in flex-based instruction at the charter
3 school.

4 (B) The charter school provides its primary educational services
5 in, and a majority of the pupils it serves are residents of, the county
6 in which the charter school is authorized.

7 (2) Except as provided in paragraphs (5) to (9), inclusive, a
8 charter school shall not establish a resource center, meeting space,
9 or other satellite facility in any other location than the one
10 authorized in paragraph (1).

11 (3) A charter school shall notify the charter school's chartering
12 authority of the name and physical location of any resource center,
13 meeting space, or other satellite facility operated by that charter
14 school.

15 (4) Notwithstanding Section 33050 or any other law, the state
16 board shall not waive the restrictions listed in this subdivision.

17 (5) (A) A charter school that was operating a resource center,
18 meeting space, or other satellite facility outside the jurisdiction of
19 the school district where the charter school is physically located
20 before January 1, 2020, may continue to operate the resource
21 center, meeting space, or other satellite facility until the charter
22 school submits a request for the renewal of its charter petition. To
23 continue operating the resource center, meeting space, or other
24 satellite facility, the charter school, before submitting the request
25 to the charter school's chartering authority for the renewal of the
26 charter petition, shall first obtain approval in writing from the
27 school district where the resource center, meeting space, or other
28 satellite facility is operating.

29 (B) The department shall regard as a continuing charter school
30 for all purposes a flex-based charter school that was granted
31 approval of its petition, that was providing educational services to
32 pupils before October 1, 2019, and is authorized by a different
33 chartering authority due to changes to this subdivision by the
34 addition of this paragraph that took effect January 1, 2020.

35 (6) A countywide charter school approved by a county office
36 of education that is operating a resource center, meeting space, or
37 other satellite facility in a county other than the county in which
38 the countywide charter school is authorized before January 1, 2020,
39 may continue to operate that resource center, meeting space, or
40 other satellite facility until the countywide charter school submits

1 a request for the renewal of its charter petition. To continue
2 operating the resource center, meeting space, or other satellite
3 facility, the countywide charter school, before submitting the
4 request to the countywide charter school's chartering authority for
5 the renewal of the charter petition, shall obtain approval in writing
6 from the county office of education where the resource center,
7 meeting space, or other satellite facility is operating.

8 (7) If a Presidential declaration of a major disaster or emergency
9 is issued in accordance with the federal Robert T. Stafford Disaster
10 Relief and Emergency Assistance Act (42 U.S.C. Sec. 5121 et
11 seq.) for an area in which a charter school is operating a resource
12 center, meeting space, or other satellite facility, the charter school,
13 for not more than five years, may relocate the resource center,
14 meeting space, or other satellite facility outside the area subject
15 to the Presidential declaration if the charter school first obtains the
16 written approval of the school district where the resource center,
17 meeting space, or other satellite facility is being relocated to.

18 (8) A charter school may establish additional resource centers,
19 meetings spaces, or other satellite facilities within the jurisdiction
20 of the charter school's chartering authority only if both of the
21 following are met:

22 (A) The charter school is physically located within the
23 boundaries of the charter school's chartering authority.

24 (B) The charter school has obtained written approval from the
25 charter school's chartering authority for each additional resource
26 center, meeting space, or other satellite facility.

27 (9) (A) Notwithstanding paragraph (5), a charter school that
28 operates a resource center located in a school district outside of
29 the boundaries of the charter school's authorizing school district
30 may continue to operate the existing resource center if all of the
31 following conditions are met:

32 (i) The charter school operating the resource center is authorized
33 by, and physically located in, a school district adjacent to a school
34 district with an enrollment of at least 500,000 pupils.

35 (ii) The charter school operating the resource center was
36 established before January 1, 2009.

37 (iii) The resource center is physically located in a school district
38 with an enrollment of at least 500,000 pupils and was established
39 before January 1, 2011.

1 (iv) The resource center serves a pupil population of which at
2 least 50 percent of the pupils are currently or formerly on probation
3 or were formerly incarcerated individuals.

4 (B) A charter school described in this paragraph shall not
5 establish a new resource center outside of the boundaries of the
6 charter school's authorizing school district.

7 (d) (1) For a charter school that was granted approval of its
8 charter before July 1, 2002, and provided educational services to
9 pupils before July 1, 2002, this section only applies to new
10 educational services or schoolsites established or acquired by the
11 charter school on or after July 1, 2002.

12 (2) For a charter school that was granted approval of its charter
13 before July 1, 2002, but did not provide educational services to
14 pupils before July 1, 2002, this section only applies upon the
15 expiration of a charter that is in existence on January 1, 2003.

16 (3) Notwithstanding other implementation timelines in this
17 section, by June 30, 2005, or upon the expiration of a charter that
18 is in existence on January 1, 2003, whichever is later, all charter
19 schools shall be required to comply with this section for schoolsites
20 at which educational services are provided to pupils before or after
21 July 1, 2002, regardless of whether the charter school initially
22 received approval of its charter school petition before July 1, 2002.
23 To achieve compliance with this section, a charter school shall be
24 required to receive approval of a charter petition in accordance
25 with this section and Section 47605.

26 (4) This section is not intended to affect the authority of a
27 governmental entity to revoke a charter that is granted on or before
28 the effective date of this section.

29 (e) A charter school that submits its petition directly to a county
30 board of education, as authorized by Section 47605.5 or 47605.6,
31 may establish charter school operations only within the
32 geographical boundaries of the county in which that county board
33 of education has jurisdiction.

34 (f) Notwithstanding any other law, the jurisdictional limitations
35 set forth in this section do not apply to a charter school that
36 provides instruction exclusively in partnership with any of the
37 following:

38 (1) The federal Workforce Innovation and Opportunity Act (29
39 U.S.C. Sec. 3101 et seq.).

40 (2) Federally affiliated Youth Build programs.

1 (3) Federal job corps training or instruction provided pursuant
2 to a memorandum of understanding with the federal provider.

3 (4) The California Conservation Corps or local conservation
4 corps certified by the California Conservation Corps pursuant to
5 Section 14507.5 or 14406 of the Public Resources Code.

6 (5) Instruction provided to juvenile court school pupils pursuant
7 to subdivision (b) of Section 42238.18 or pursuant to Section 1981
8 for individuals who are placed in a residential facility.

9 SEC. 15. Section 47612.5 of the Education Code is amended
10 to read:

11 47612.5. (a) Notwithstanding any other law and as a condition
12 of apportionment, a charter school shall do all of the following:

13 (1) For each fiscal year, offer, at a minimum, the following
14 number of minutes of instruction:

15 (A) To pupils in kindergarten, 36,000 minutes.

16 (B) To pupils in grades 1 to 3, inclusive, 50,400 minutes.

17 (C) To pupils in grades 4 to 8, inclusive, 54,000 minutes.

18 (D) To pupils in grades 9 to 12, inclusive, 64,800 minutes.

19 (2) Maintain written contemporaneous records that document
20 all pupil attendance and make these records available for audit and
21 inspection.

22 (3) Certify that its pupils have participated in the state testing
23 programs specified in Chapter 5 (commencing with Section 60600)
24 of Part 33 in the same manner as other pupils attending public
25 schools as a condition of apportionment of state funding.

26 (b) Notwithstanding any other law and except to the extent
27 inconsistent with this section and Section 47634.2, a charter school
28 that provides independent study shall comply with Article 5.5
29 (commencing with Section 51745) of Chapter 5 of Part 28 and
30 implementing regulations adopted thereunder. The state board
31 shall adopt regulations that apply this article to charter schools.
32 To the extent that these regulations concern the qualifications of
33 instructional personnel, the state board shall be guided by
34 subdivision (l) of Section 47605.

35 (c) A reduction in apportionment made pursuant to subdivision
36 (a) shall be proportional to the magnitude of the exception that
37 causes the reduction. For purposes of paragraph (1) of subdivision
38 (a), for each charter school that fails to offer pupils the minimum
39 number of minutes of instruction specified in that paragraph, the
40 Superintendent shall withhold from the charter school's

1 apportionment for average daily attendance of the affected pupils,
2 by grade level, the sum of that apportionment multiplied by the
3 percentage of the minimum number of minutes of instruction at
4 each grade level that the charter school failed to offer.

5 (d) (1) Notwithstanding any other law and except as provided
6 in paragraph (1) of subdivision (e), a charter school that has an
7 approved charter may receive funding for flex-based instruction
8 only if a determination for funding is made pursuant to Section
9 47634.2 by the state board. The determination for funding shall
10 be subject to any conditions or limitations the state board may
11 prescribe. The regulations adopted by the state board that define
12 and establish general rules governing flex-based instruction, as
13 defined in paragraph (2) of subdivision (e), as that paragraph read
14 on December 31, 2023, shall apply to flex-based instruction for
15 all charter schools and to the process for determining funding of
16 flex-based instruction by charter schools offering flex-based
17 instruction other than the flex-based instruction allowed by
18 paragraph (1) of subdivision (e). Flex-based instruction includes,
19 but is not limited to, independent study, home study, work study,
20 and distance and computer-based education. In prescribing any
21 conditions or limitations relating to the qualifications of
22 instructional personnel, the state board shall be guided by
23 subdivision (l) of Section 47605.

24 (2) Except as provided in paragraph (2) of subdivision (b) of
25 Section 47634.2, a charter school that receives a determination
26 pursuant to subdivision (b) of Section 47634.2 is not required to
27 reapply annually for a funding determination of its flex-based
28 instruction program if an update of the information the state board
29 reviewed when initially determining funding would not require
30 material revision, as that term is defined in regulations adopted by
31 the board. Notwithstanding any other law, the state board may
32 require a charter school to provide updated information at any time
33 it determines that a review of that information is necessary. The
34 state board may terminate a determination for funding if updated
35 or additional information requested by the board is not made
36 available to the board by the charter school within a reasonable
37 amount of time or if the information otherwise supports
38 termination. A determination for funding pursuant to Section
39 47634.2 shall not exceed five years.

(3) A charter school that offers flex-based instruction in excess of the amount authorized by paragraph (1) of subdivision (e) is subject to the determination for funding requirement of Section 47634.2 to receive funding each time its charter is renewed or materially revised pursuant to Section 47607. A charter school that materially revises its charter to offer flex-based instruction in excess of the amount authorized by paragraph (1) of subdivision (e) is subject to the determination for funding requirement of Section 47634.2.

(e) (1) Notwithstanding any other law, and as a condition of apportionment, “classroom-based instruction” in a charter school, for purposes of this part, occurs only when charter school pupils are engaged in educational activities required of those pupils and are under the immediate supervision and control of an employee of the charter school who possesses a valid certification document registered as required by law. For purposes of calculating average daily attendance for classroom-based instruction apportionments, at least 80 percent of the instructional time offered by the charter school shall be at the schoolsite, and the charter school shall require the attendance of all pupils for whom a classroom-based apportionment is claimed at the schoolsite for at least 80 percent of the minimum instructional time required to be offered pursuant to paragraph (1) of subdivision (a).

(2) For the purposes of this part, “flex-based instruction” means instruction that does not meet the requirements specified in paragraph (1). The state board may adopt regulations pursuant to paragraph (1) of subdivision (d) specifying other conditions or limitations on what constitutes flex-based instruction, as it deems appropriate and consistent with this part.

(3) For purposes of this part, “flex-based charter school” means a charter school that is subject to the determination for funding requirement of Section 47634.2.

(4) For purposes of this part, “schoolsite” means a facility that is used principally for classroom instruction.

(f) Notwithstanding any other law, neither the state board nor the Superintendent may waive the requirements of paragraph (1) of subdivision (a).

SEC. 16. Section 47612.7 of the Education Code is amended to read:

1 47612.7. (a) Notwithstanding any other law and except as
2 provided in subdivision (b), from January 1, 2020, to January 1,
3 2026, inclusive, the approval of a petition for the establishment of
4 a new flex-based charter school, as defined in paragraph (3) of
5 subdivision (e) of Section 47612.5, is prohibited.

6 (b) Subdivision (a) shall not apply to a flex-based charter school
7 that was granted approval of its petition and providing educational
8 services to pupils before October 1, 2019, under either of the
9 following circumstances:

10 (1) If Assembly Bill 1507 of the 2019–20 Regular Session
11 amends Section 47605.1 and becomes operative on January 1,
12 2020, and the flex-based charter school is required to submit a
13 petition to the governing board of a school district or county board
14 of education in an adjacent county in which its existing resource
15 center is located in order to comply with Section 47605.1, as
16 amended by Assembly Bill 1507 of the 2019–20 Regular Session,
17 or to retain current program offerings or enrollment.

18 (2) If a flex-based charter school is required to submit a petition
19 to a school district or county board of education in which a resource
20 center is located in order to comply with the court decision in
21 Anderson Union High School District v. Shasta Secondary Home
22 School (2016) 4 Cal.App.5th 262, or other relevant court ruling,
23 and the petition is necessary to retain current program offerings
24 or enrollment.

25 (3) A flex-based charter school authorized by a different
26 chartering authority pursuant to paragraphs (1) and (2) shall be
27 regarded by the department as a continuing charter school for all
28 purposes to the extent it does not conflict with federal law. In order
29 to prevent any potential conflict with federal law, this paragraph
30 does not apply to covered programs as identified in Section
31 8101(11) of the federal Elementary and Secondary Education Act
32 of 1965 (20 U.S.C. Sec. 7801) to the extent the affected charter
33 school is the restructured portion of a divided charter school
34 pursuant to Section 47654.

35 (c) Notwithstanding Section 33050 or any other law, the state
36 board shall not waive the restrictions described in this section.

37 (d) This section shall remain in effect only until January 1, 2027,
38 and as of that date is repealed.

39 SEC. 17. Section 47613 of the Education Code is amended to
40 read:

1 47613. (a) Except as set forth in subdivision (b), a chartering
2 authority may charge for the actual costs of supervisory oversight
3 of a charter school not to exceed 1 percent of the revenue of the
4 charter school.

5 (b) A chartering authority may charge for the actual costs of
6 supervisory oversight of a charter school not to exceed 3 percent
7 of the revenue of the charter school if the charter school is able to
8 obtain substantially rent free facilities from the chartering authority.

9 (c) A local educational agency that is given the responsibility
10 for supervisory oversight of a charter school, pursuant to
11 paragraph (1) of subdivision (k) of Section 47605, may charge for
12 the actual costs of supervisory oversight, and administrative costs
13 necessary to secure charter school funding. A charter school that
14 is charged for costs under this subdivision may not be charged
15 pursuant to subdivision (a) or (b).

16 (d) This section does not prevent the charter school from
17 separately purchasing administrative or other services from the
18 chartering authority or any other source.

19 (e) For purposes of this section, “chartering authority” means
20 a school district, county board of education, or the state board, that
21 granted the charter to the charter school.

22 (f) For purposes of this section, “revenue of the charter school”
23 means the amount received in the current fiscal year from the local
24 control funding formula calculated pursuant to Section 42238.02,
25 as implemented by Section 42238.03.

26 (g) For purposes of this section, “costs of supervisory
27 oversight” include, but are not limited to, costs incurred pursuant
28 to Sections 47604.32 and 47607.3.

29 SEC. 18. Section 47614.5 of the Education Code is amended
30 to read:

31 47614.5. (a) The Charter School Facility Grant Program is
32 hereby established, and shall be administered by the California
33 School Finance Authority. The grant program is intended to provide
34 assistance with facilities rent and lease costs for pupils in charter
35 schools.

36 (b) (1) Commencing with the 2017–18 fiscal year, and subject
37 to available funding in the annual Budget Act, eligible charter
38 schools shall receive an amount equivalent to one of the following,
39 whichever is less:

1 (A) Seventy-five percent of annual facilities rent and lease costs
2 for the charter school.

3 (B) For the 2017–18 fiscal year, an amount equal to one
4 thousand one hundred seventeen dollars (\$1,117) per unit of
5 average daily attendance, as certified at the second principal
6 apportionment. Commencing with the 2018–19 fiscal year, the
7 amount of funding provided per unit of average daily attendance
8 in the preceding fiscal year, as adjusted by the percentage change
9 in the annual average value of the Implicit Price Deflator for State
10 and Local Government Purchases of Goods and Services for the
11 United States, as published by the United States Department of
12 Commerce for the 12-month period ending in the third quarter of
13 the prior fiscal year. This percentage change shall be determined
14 using the latest data available as of May 10 of the preceding fiscal
15 year compared with the annual average value of the same deflator
16 for the 12-month period ending in the third quarter of the second
17 preceding fiscal year, using the latest data available as of May 10
18 of the preceding fiscal year, as reported by the Department of
19 Finance.

20 (2) In any fiscal year, if the funds appropriated for purposes of
21 this section by the annual Budget Act are insufficient to fully fund
22 the approved amounts, the California School Finance Authority
23 shall apportion the available funds on a pro rata basis.

24 (c) For purposes of this section, the California School Finance
25 Authority shall do all of the following:

26 (1) Inform charter schools of the grant program.

27 (2) Upon application by a charter school, determine eligibility,
28 based on the geographic location of the charter schoolsite, pupil
29 eligibility for free or reduced-price meals, and a preference in
30 admissions, as appropriate. Eligibility for funding shall not be
31 limited to the grade level or levels served by the school whose
32 attendance area is used to determine eligibility. A charter schoolsite
33 is eligible for funding pursuant to this section if the charter
34 schoolsite meets either of the following conditions:

35 (A) The charter schoolsite is physically located in the attendance
36 area of a public elementary school in which 55 percent or more of
37 the pupil enrollment is eligible for free or reduced-price meals and
38 the charter schoolsite gives a preference in admissions to pupils
39 who are currently enrolled in that public elementary school and to

1 pupils who reside in the elementary school attendance area where
2 the charter schoolsite is located.

3 (B) Fifty-five percent or more of the pupil enrollment at the
4 charter schoolsite is eligible for free or reduced-price meals.

5 (3) Inform charter schools of their grant eligibility.

6 (4) Make apportionments to a charter school for eligible
7 expenditures according to the following schedule:

8 (A) An initial apportionment by October 31 of each fiscal year,
9 provided the charter school has submitted a timely application for
10 funding, as determined by the California School Finance Authority.
11 The initial apportionment shall be 50 percent of the charter school's
12 estimated annual entitlement as determined by this section.

13 (B) A second apportionment by March 1 of each fiscal year.
14 This apportionment shall be 75 percent of the charter school's
15 estimated annual entitlement, as adjusted for any revisions in cost,
16 enrollment, and other data relevant to computing the charter
17 school's annual entitlement, less any funding already apportioned
18 to the charter school.

19 (C) A third apportionment within 30 days of the end of each
20 fiscal year or 30 days after receiving the data and documentation
21 needed to compute the charter school's total annual entitlement,
22 whichever is later. This apportionment shall be the charter school's
23 total annual entitlement less any funding already apportioned to
24 the charter school.

25 (D) Notwithstanding subparagraph (A), the initial apportionment
26 in the 2013–14 fiscal year shall be made by October 15, 2013, or
27 105 days after enactment of the Budget Act of 2013, whichever is
28 later.

29 (d) For purposes of this section:

30 (1) The California School Finance Authority shall use prior year
31 data on pupil eligibility for free or reduced-price meals to determine
32 eligibility pursuant to paragraph (2) of subdivision (c). A new
33 charter school that was not operational in the prior year shall be
34 eligible in the current year if it meets the free or reduced-price
35 meal eligibility requirements specified in paragraph (2) of
36 subdivision (c) based on current year data. Prior year rent or lease
37 costs provided by charter schools shall be used to determine
38 eligibility for the grant program until actual rent or lease costs
39 become known or until June 30 of each fiscal year.

1 (2) If prior year rent or lease costs are unavailable, and the
2 current year lease and rent costs are not immediately available,
3 the California School Finance Authority shall use rent or lease
4 cost estimates provided by the charter school.

5 (3) (A) The California School Finance Authority shall verify
6 costs associated with facility rents or leases, as evidenced by an
7 executed rental or lease agreement.

8 (B) The verified facility agreement shall be subject to either of
9 the following conditions:

10 (i) Reimbursable facility rent or lease costs do not exceed the
11 prior year's costs on file with the authority as of the 2016–17 fiscal
12 year, subject to a cost-of-living adjustment consistent with
13 subparagraph (B) of paragraph (1) of subdivision (b).

14 (ii) The rent or lease costs of new facility agreements are at or
15 below market rate based on an independent appraisal paid for by
16 the charter school.

17 (4) The California School Finance Authority shall verify that
18 the grant amount awarded to each charter school is consistent with
19 eligibility requirements as specified in this section and in
20 regulations adopted by the authority. If it is determined by the
21 California School Finance Authority that a charter school did not
22 receive the proper grant award amount, either the charter school
23 shall transfer funds back to the authority as necessary within 60
24 days of being notified by the authority, or the authority shall
25 provide an additional apportionment as necessary to the charter
26 school within 60 days of notifying the charter school, subject to
27 the availability of funds.

28 (e) Funds appropriated for purposes of this section shall not be
29 apportioned for any of the following:

30 (1) Units of average daily attendance generated through
31 flex-based instruction as defined by paragraph (2) of subdivision
32 (e) of Section 47612.5 or that does not comply with conditions or
33 limitations set forth in regulations adopted by the state board
34 pursuant to this section.

35 (2) Charter schools occupying existing school district or county
36 office of education facilities, except that charter schools shall be
37 eligible for the portions of their facilities that are not existing
38 school district or county office of education facilities.

39 (3) Charter schools receiving reasonably equivalent facilities
40 from their chartering authorities pursuant to Section 47614, except

1 that charter schools shall be eligible for the portions of their
2 facilities that are not reasonably equivalent facilities received from
3 their chartering authorities.

4 (f) Funds appropriated for purposes of this section shall first be
5 used for costs associated with facilities rents and leases, consistent
6 with the definitions used in the California School Accounting
7 Manual or regulations adopted by the California School Finance
8 Authority. These funds also may be used for costs, including, but
9 not limited to, costs associated with remodeling buildings, deferred
10 maintenance, initially installing or extending service systems and
11 other built-in equipment, and improving sites.

12 (g) If an existing charter school located in an elementary
13 attendance area in which less than 50 percent of pupil enrollment
14 is eligible for free or reduced-price meals relocates to an attendance
15 area identified in paragraph (2) of subdivision (c), admissions
16 preference shall be given to pupils who reside in the elementary
17 school attendance area into which the charter school is relocating.

18 (h) The California School Finance Authority annually shall
19 report to the department and the Director of Finance, and post
20 information on its internet website, regarding the use of funds that
21 have been made available during the fiscal year to each charter
22 school pursuant to the grant program.

23 (i) The California School Finance Authority shall annually
24 allocate the facilities grants to eligible charter schools according
25 to the schedule in paragraph (4) of subdivision (c) for the current
26 school year rent and lease costs.

27 (j) It is the intent of the Legislature that the funding level for
28 the Charter School Facility Grant Program for the 2012–13 fiscal
29 year be considered the base level of funding for subsequent fiscal
30 years.

31 (k) The Controller shall include instructions appropriate to the
32 enforcement of this section in the audit guide required by
33 subdivision (a) of Section 14502.1.

34 (l) The California School Finance Authority, effective with the
35 2013–14 fiscal year, shall be considered the senior creditor for
36 purposes of satisfying audit findings pursuant to the audit
37 instructions to be developed pursuant to subdivision (k).

38 (m) The California School Finance Authority may adopt
39 regulations to implement this section. Any regulations adopted
40 pursuant to this section may be adopted as emergency regulations

1 in accordance with the Administrative Procedure Act (Chapter 3.5
2 (commencing with Section 11340) of Part 1 of Division 3 of the
3 Title 2 of the Government Code). The adoption of these regulations
4 shall be deemed to be an emergency and necessary for the
5 immediate preservation of the public peace, health and safety, or
6 general welfare.

7 (n) Notwithstanding any other law, a charter school shall be
8 subject, with regard to this section, to audit conducted pursuant to
9 Section 41020.

10 SEC. 19. Section 47616.7 of the Education Code is amended
11 to read:

12 47616.7. The evaluation provided for in Section 47616.5 shall
13 include an analysis of the funding system for charter schools that
14 offer flex-based instruction. The evaluation shall also examine the
15 effectiveness of the state board's process, as provided for in
16 Sections 47612.5 and 47634.2, for approving funding for charter
17 schools offering flex-based instruction.

18 SEC. 20. Section 47634.2 of the Education Code is amended
19 to read:

20 47634.2. (a) (1) Notwithstanding any other law, the amount
21 of funding to be allocated to a charter school on the basis of average
22 daily attendance that is generated by pupils engaged in flex-based
23 instruction, as defined in paragraph (2) of subdivision (e) of Section
24 47612.5, including funding provided on the basis of average daily
25 attendance pursuant to Sections 47613.1, 47633, 47634, and 47664,
26 may be adjusted by the state board if the state board makes a
27 finding of demonstrable financial abuse, profiteering, or grossly
28 excessive administrative expenses. The state board shall adopt
29 regulations setting forth criteria for the determination of funding
30 for flex-based instruction, *and*, at a ~~minimum~~ *minimum*, the
31 regulation shall specify that the flex-based instruction is conducted
32 for the instructional benefit of the pupil and substantially dedicated
33 to that function. In developing these criteria and determining the
34 amount of funding to be allocated to a charter school pursuant to
35 this section, the state board shall consider, among other factors it
36 deems appropriate, the amount of the charter school's total budget
37 expended on certificated employee salaries and benefits and on
38 schoolsites, as defined in paragraph (4) of subdivision (e) of
39 Section 47612.5, and the teacher-to-pupil ratio in the school.

(2) This section does not authorize the state board to adjust the amount of funding a charter school receives on the basis of average daily attendance generated through classroom-based instruction, as defined for purposes of calculating average daily attendance for classroom-based instruction apportionments by paragraph (1) of subdivision (e) of Section 47612.5.

(b) (1) The state board shall appoint an advisory committee to recommend criteria to the board in accordance with this section if it has not done so by the effective date of the act adding this section. The advisory committee shall include, but is not limited to, representatives from school district superintendents, charter schools, teachers, parents, members of the governing boards of school districts, county superintendents of schools, and the Superintendent.

(2) The determination for funding shall be on a percentage basis and the Superintendent shall implement the determination for funding by reducing the charter school's reported average daily attendance by the determination for funding percentage specified by the state board.

(3) If the state board denies request for a determination for funding or provides a reduction as authorized by subdivision (a), the board shall, in writing, give the reasons for its denial or reduction and, if appropriate, may describe how any deficiencies or problems may be addressed.

(c) Each charter school offering flex-based instruction shall, in each report provided to the Superintendent for apportionment purposes, identify the portion of its average daily attendance that is generated through flex-based instruction as defined in paragraph (2) of subdivision (e) of Section 47612.5.

(d) Notwithstanding any other law, charter schools shall be subject, with regard to subdivisions (c) to (e), inclusive, of Section 47612.5 and this section, to audits conducted pursuant to Section 41020.

(e) On or before May 31, 2027, the state board shall review and revise regulations governing the funding determination process for flex-based charter schools to be consistent with all of the following:

(1) Assess whether data submitted by a charter school is consistent with its annual independent financial audit for the year of the funding determination, if available. If the information in the

1 funding determination form is not consistent with the information
2 reported in its annual independent financial audit, charter schools
3 shall provide clarification and backup documents along with their
4 form.

5 (2) Whenever feasible, the funding determination process relies
6 on data that is available to the department through audits or other
7 data reported by the charter school's audited data and the
8 department avoids requesting duplicate information from a charter
9 school when audited data is available.

10 (3) A charter school may exclude unspent one-time revenues
11 that are permitted to be spent over multiple fiscal years from the
12 calculations of the percentage of school revenues spent on
13 certificated salaries and benefits and the percentage of school
14 revenues spent on instruction and related services if the charter
15 school recognizes these revenues and expenditures in the year the
16 funds are actually spent.

17 (4) A charter school may count as instructional related expenses
18 any funds spent on resource centers or site-based instructional
19 facilities used primarily for purposes of in-person instruction and
20 pupil support services, including, but not limited to, tutoring,
21 counseling, special education services, libraries, and performing
22 arts facilities.

23 (5) A charter school shall report the amount and classification
24 of its reserves on funding determination forms consistent with state
25 accounting categories of assigned, unassigned, restricted,
26 committed, and nonspendable.

27 (6) A charter school may exclude from their revenue any net
28 increase to their reserve for economic uncertainties, if the charter
29 school has an unassigned fund balance that represents less than 10
30 percent of their annual expenditures.

31 (7) If applicable, a charter school shall explain on their funding
32 determination form the purposes for which unassigned fund
33 balances are being maintained at a level that is 10 percent or more
34 of the charter school's annual expenditures.

35 (8) For a charter school whose unassigned balances are less than
36 5 percent of annual expenditures, the department shall notify the
37 chartering authority of the charter school to verify that the charter
38 school has sufficient reserves to address economic uncertainties.

1 ~~(9) A charter school's funding is reduced only in cases of~~
2 ~~demonstrable financial abuses, profiteering, or grossly excessive~~
3 ~~administrative expenses.~~

4 SEC. 21. Section 51744 of the Education Code is amended to
5 read:

6 51744. (a) The Legislature finds and declares that by offering
7 a range of quality educational options, including classroom-based,
8 nonclassroom-based, hybrid, and flex-based programs, local
9 educational agencies can better tailor instruction to pupils, thereby
10 improving academic outcomes while maximizing enrollment.

11 (b) It is the intent of the Legislature that local educational
12 agencies offer educational programs that best serve the needs of
13 their pupils.

14 (c) It is also the intent of the Legislature to encourage local
15 educational agencies, when adopting a written policy pursuant to
16 Section 51747 or 51749.5, to consider offering more than one
17 independent study model for short- and long-term placements in
18 accordance with Sections 51747, 51747.5, and 51749.6.

19 SEC. 22. Section 51745.6 of the Education Code is amended
20 to read:

21 51745.6. (a) (1) The ratio of average daily attendance for
22 independent study pupils 18 years of age or less to school district
23 full-time equivalent certificated employees responsible for
24 independent study, calculated as specified by the department, shall
25 not exceed the equivalent ratio of average daily attendance to
26 full-time equivalent certificated employees providing instruction
27 in other educational programs operated by the school district,
28 unless a new higher or lower average daily attendance ratio for all
29 other educational programs offered is negotiated in a collective
30 bargaining agreement or a memorandum of understanding is
31 entered into that indicates an existing collective bargaining
32 agreement contains an alternative average daily attendance ratio.

33 (2) The ratio of average daily attendance for independent study
34 pupils 18 years of age or less to county office of education full-time
35 equivalent certificated employees responsible for independent
36 study, to be calculated in a manner prescribed by the department,
37 shall not exceed the equivalent prior year ratio of average daily
38 attendance to full-time equivalent certificated employees for all
39 other educational programs operated by the high school or unified
40 school district with the largest average daily attendance of pupils

1 in that county or the collectively bargained alternative ratio used
2 by that high school or unified school district in the prior year,
3 unless a new higher or lower average daily attendance ratio for all
4 other educational programs offered is negotiated in a collective
5 bargaining agreement or a memorandum of understanding is
6 entered into that indicates an existing collective bargaining
7 agreement contains an alternative average daily attendance ratio.
8 The computation of the ratios shall be performed annually by the
9 reporting agency at the time of, and in connection with, the second
10 principal apportionment report to the Superintendent.

11 (b) Only those units of average daily attendance for independent
12 study that reflect a pupil-teacher ratio that does not exceed the
13 ratios described in subdivision (a) shall be eligible for
14 apportionment pursuant to Section 2575, for county offices of
15 education, and Section 42238.05, for school districts. This section
16 does not prevent a school district or county office of education
17 from serving additional units of average daily attendance greater
18 than the ratios described in subdivision (a), except that those
19 additional units shall not be funded pursuant to Section 2575 or
20 42238.05, as applicable. If a school district, charter school, or
21 county office of education has a memorandum of understanding
22 to provide instruction in coordination with the school district,
23 charter school, or county office of education at which a pupil is
24 enrolled, the ratios that shall apply for purposes of this paragraph
25 are the ratios for the local educational agency providing the
26 independent study program to the pupil pursuant to Section
27 51749.5.

28 (c) The calculations performed for purposes of this section shall
29 not include either of the following:

30 (1) The average daily attendance generated by special education
31 pupils enrolled in special day classes on a full-time basis, or the
32 teachers of those classes.

33 (2) The average daily attendance or teachers in necessary small
34 schools that are eligible to receive funding pursuant to Article 4
35 (commencing with Section 42280) of Chapter 7 of Part 24 of
36 Division 3.

37 (d) T h e a p p l i c a b l e
38 average-daily-attendance-to-certificated-employee ratios described
39 in subdivision (a) may, in a charter school, be calculated by using
40 (1) a fixed average-daily-attendance-to-certificated-employee ratio

1 of 25 to 1, (2) a ratio of less than 25 pupils per certificated
2 employee, or (3) the equivalent ratio of pupils to full-time
3 certificated employees for all other educational programs operated
4 by the largest unified school district, as measured by average daily
5 attendance, as reported at the second principal apportionment ~~in~~
6 ~~the year before,~~ *for the prior fiscal year* in the county or counties
7 in which the charter school operates. The largest unified school
8 district in each county shall make its ratio data available upon
9 request. A new higher or lower ratio for all other educational
10 programs offered by a charter school may be negotiated in a
11 collective bargaining agreement, or a memorandum of
12 understanding indicating that an existing collective bargaining
13 agreement contains an alternative average daily attendance ratio
14 may be entered into by a charter school. All charter school pupils,
15 regardless of age, shall be included in the applicable
16 average-daily-attendance-to-certificated-employee ratio
17 calculations.

18 (e) Commencing with the 2021–22 fiscal year Guide for Annual
19 Audits of K–12 Local Education Agencies and State Compliance
20 Reporting, the Controller shall incorporate verification of the ratios
21 included in this section, including fiscal penalties for
22 noncompliance as described in this section.

23 SEC. 23. Section 51747 of the Education Code is amended to
24 read:

25 51747. A local educational agency shall not be eligible to
26 receive apportionments for independent study by pupils, regardless
27 of age, unless it has adopted written policies, and has implemented
28 those policies, pursuant to rules and regulations adopted by the
29 Superintendent, that include, but are not limited to, all of the
30 following:

31 (a) The maximum length of time, by grade level and type of
32 program, that may elapse between the time an independent study
33 assignment is made and the date by which the pupil must complete
34 the assigned work.

35 (b) (1) The level of satisfactory educational progress and the
36 number of missed assignments that will be allowed before an
37 evaluation is conducted to determine whether it is in the best
38 interests of the pupil to remain in independent study, or whether
39 the pupil should return to the regular school program. A written
40 record of the findings of any evaluation made pursuant to this

subdivision shall be treated as a mandatory interim pupil record. The record shall be maintained for a period of three years from the date of the evaluation and, if the pupil transfers to another California public school, the record shall be forwarded to that school.

(2) Satisfactory educational progress shall be determined based on all of the following indicators:

(A) The pupil's achievement and engagement in the independent study program, as indicated by the pupil's performance on applicable pupil-level measures of pupil achievement and pupil engagement set forth in paragraphs (4) and (5) of subdivision (d) of Section 52060.

(B) The completion of assignments, assessments, or other indicators that evidence that the pupil is working on assignments.

(C) Learning required concepts, as determined by the supervising teacher.

(D) Progressing toward successful completion of the course of study or individual course, as determined by the supervising teacher.

(c) The provision of content aligned to grade level standards that is substantially equivalent to in-person instruction. For high schools, this shall include access to all courses offered by the local educational agency for graduation and approved by the University of California or the California State University as creditable under the A-G admissions criteria.

(d) Procedures for tiered reengagement strategies for all pupils who are not generating attendance for more than 10 percent of required minimum instructional time over four continuous weeks of a local educational agency's approved instructional calendar, pupils found not participatory in synchronous instructional offerings pursuant to Section 51747.5 for more than 50 percent of the scheduled times of synchronous instruction in a school month as applicable by grade span, or pupils who are in violation of the written agreement pursuant to subdivision (g). These procedures shall include local programs intended to address chronic absenteeism, as applicable, with at least all of the following:

(1) Verification of current contact information for each enrolled pupil.

(2) Notification to parents or guardians of lack of participation within one schoolday of the recording of a nonattendance day or lack of participation.

(3) A plan for outreach from the school to determine pupil needs, including connection with health and social services as necessary.

(4) A clear standard for requiring a pupil-parent-educator conference to review a pupil's written agreement, and reconsider the independent study program's impact on the pupil's achievement and well-being, consistent with the policies adopted pursuant to paragraph (4) of subdivision (g).

(e) (1) For pupils in transitional kindergarten and grades 1 to 3, inclusive, a plan to provide opportunities for daily synchronous instruction for all pupils throughout the school year.

(2) For pupils in grades 4 to 8, inclusive, a plan to provide opportunities for both daily live interaction and at least weekly synchronous instruction for all pupils throughout the school year.

(3) For pupils in grades 9 to 12, inclusive, a plan to provide opportunities for at least weekly synchronous instruction for all pupils throughout the school year.

(f) A plan to transition pupils whose families wish to return to in-person instruction from independent study expeditiously, and, in no case, later than five instructional days.

(g) A requirement that a current written agreement for each independent study pupil shall be maintained on file, including, but not limited to, all of the following:

(1) The manner, time, frequency, and place for submitting a pupil's assignments, for reporting the pupil's academic progress, and for communicating with a pupil's parent or guardian regarding a pupil's academic progress.

(2) The objectives and methods of study for the pupil's work, and the methods used to evaluate that work.

(3) The specific resources, including materials and personnel, that will be made available to the pupil. These resources shall include confirming or providing access to all pupils to the connectivity and devices adequate to participate in the educational program and complete assigned work.

(4) A statement of the policies adopted pursuant to subdivisions (a) and (b) regarding the maximum length of time allowed between the assignment and the completion of a pupil's assigned work, the level of satisfactory educational progress, and the number of missed

1 assignments allowed before an evaluation of whether or not the
2 pupil should be allowed to continue in independent study.

3 (5) The duration of the independent study agreement, including
4 the beginning and ending dates for the pupil's participation in
5 independent study under the agreement. No independent study
6 agreement shall be valid for any period longer than one school
7 year.

8 (6) A statement of the number of course credits or, for the
9 elementary grades, other measures of academic accomplishment
10 appropriate to the agreement, to be earned by the pupil upon
11 completion.

12 (7) A statement detailing the academic and other supports that
13 will be provided to address the needs of pupils who are not
14 performing at grade level, or need support in other areas, such as
15 English learners, individuals with exceptional needs in order to be
16 consistent with the pupil's individualized education program or
17 plan pursuant to Section 504 of the federal Rehabilitation Act of
18 1973 (29 U.S.C. Sec. 794), pupils in foster care or experiencing
19 homelessness, and pupils requiring mental health supports.

20 (8) The inclusion of a statement in each independent study
21 agreement that independent study is an optional educational
22 alternative in which no pupil may be required to participate. In the
23 case of a pupil who is referred or assigned to any school, class, or
24 program pursuant to Section 48915 or 48917, the agreement also
25 shall include the statement that instruction may be provided to the
26 pupil through independent study only if the pupil is offered the
27 alternative of classroom instruction.

28 (9) (A) (i) For a pupil participating in an independent study
29 program that is scheduled for more than 15 schooldays, each
30 written agreement shall be signed, before the commencement of
31 independent study, by the pupil, the pupil's parent, legal guardian,
32 or caregiver, if the pupil is less than 18 years of age, the certificated
33 employee who has been designated as having responsibility for
34 the general supervision of independent study, and the certificated
35 employee designated as having responsibility for the special
36 education programming of the pupil, as applicable.

37 (ii) For a pupil participating in an independent study program
38 that is scheduled for 15 schooldays or fewer, each written
39 agreement shall be signed, during the school year in which the
40 independent study program takes place, by the pupil, the pupil's

1 parent, legal guardian, or caregiver, if the pupil is less than 18
2 years of age, the certificated employee who has been designated
3 as having responsibility for the general supervision of independent
4 study, and the certificated employee designated as having
5 responsibility for the special education programming of the pupil,
6 as applicable. The written agreement may be signed at any time
7 during the school year, but it is the intent of the Legislature that
8 parents or guardians of pupils be provided the agreement at or
9 before the beginning of the school year.

10 (iii) For purposes of this paragraph, “caregiver” means a person
11 who has met the requirements of Part 1.5 (commencing with
12 Section 6550) of Division 11 of the Family Code.

13 (B) Signed written agreements, supplemental agreements,
14 assignment records, work samples, and attendance records
15 assessing time value of work or evidence that an instructional
16 activity occurred may be maintained as an electronic file.

17 (C) For purposes of this section, an electronic file includes a
18 computer or electronic stored image of an original document,
19 including, but not limited to, portable document format (PDF),
20 JPEG, or other digital image file type, that may be sent via fax
21 machine, email, or other electronic means.

22 (D) Either an original document or an electronic file of the
23 original document is allowable documentation for auditing
24 purposes.

25 (E) Written agreements may be signed using an electronic
26 signature that complies with state and federal standards, as
27 determined by the department, that may be a marking that is either
28 computer generated or produced by electronic means and is
29 intended by the signatory to have the same effect as a handwritten
30 signature. The use of an electronic signature shall have the same
31 force and effect as the use of a manual signature if the requirements
32 for digital signatures and their acceptable technology, as provided
33 in Section 16.5 of the Government Code and in Chapter 10
34 (commencing with Section 22000) of Division 7 of Title 2 of the
35 California Code of Regulations, are satisfied.

36 (F) Notwithstanding subparagraph (A), for the 2021–22 school
37 year only, a local educational agency shall obtain a signed written
38 agreement for an independent study program of any length of time
39 from the pupil, or the pupil’s parent or legal guardian if the pupil
40 is less than 18 years of age, the certificated employee who has

1 been designated as having responsibility for the general supervision
2 of independent study, and the certificated employee designated as
3 having responsibility for the special education programming of
4 the pupil, as applicable, no later than 30 days after the first day of
5 instruction in an independent study program or October 15,
6 whichever date comes later. This subparagraph does not relieve a
7 local educational agency from the obligation to comply with the
8 requirements of this article, as amended by the act adding this
9 subparagraph, upon commencement of instruction for a
10 participating pupil in the 2021–22 school year.

11 (h) (1) For the 2021–22 school year only, school districts and
12 county offices of education shall notify the parents and guardians
13 of all enrolled pupils of their options to enroll their child in
14 in-person instruction or independent study during the 2021–22
15 school year. This notice shall include written information on the
16 local educational agency’s internet website, including, but not
17 limited to, the right to request a pupil-parent-educator conference
18 meeting before enrollment pursuant to this section, pupil rights
19 regarding procedures for enrolling, disenrolling, and reenrolling
20 in independent study, and the synchronous and asynchronous
21 instructional time that a pupil will have access to as part of
22 independent study. If 15 percent or more of the pupils enrolled in
23 a local educational agency that provides instruction in transitional
24 kindergarten, kindergarten, or any of grades 1 to 12, inclusive,
25 speak a single primary language other than English, as determined
26 from the census data submitted to the department pursuant to
27 Section 52164 in the preceding year, the written information shall,
28 in addition to being written in English, be written in the primary
29 language.

30 (2) Before signing a written agreement pursuant to this section,
31 the parent or guardian of a pupil may request that the local
32 educational agency conduct a telephone, videoconference, or
33 in-person pupil-parent-educator conference or other school meeting
34 during which the pupil, parent or guardian, and, if requested by
35 the pupil or parent, an education advocate, may ask questions about
36 the educational options, including which curriculum offerings and
37 nonacademic supports will be available to the pupil in independent
38 study, before making the decision about enrollment or
39 disenrollment in the various options for learning.

(i) Subdivisions (d), (e), and (f) shall not apply to pupils that participate in an independent study program for fewer than 16 schooldays in a school year and pupils enrolled in a comprehensive school for classroom-based instruction who, under the care of appropriately licensed professionals, participate in independent study due to necessary medical treatments or inpatient treatment for mental health care or substance abuse. Local educational agencies shall obtain evidence from appropriately licensed professionals of the need for pupils to participate in independent study pursuant to this subdivision.

(j) (1) Notwithstanding paragraph (8) of subdivision (g) of this section, paragraph (1) of subdivision (e) of Section 46300, and subdivision (d) of Section 51745, for the 2021–22 school year only, a local educational agency shall be eligible to receive apportionments for independent study for pupils that are subject to quarantine for exposure to, or infection with, COVID-19 pursuant to local or state health guidance, and the pupil cannot participate in classroom-based instruction due to the quarantine, and for school closures due to COVID-19 pursuant to subdivision (c) of Section 41422. Local educational agencies shall receive apportionment for these pupils for all schooldays that they participate in and meet all other apportionment requirements of independent study while in quarantine or during a school closure.

(2) Notwithstanding Section 47612.5, for the 2021–22 fiscal year, a classroom-based charter school that provides an independent study program pursuant to this article for pupils that are subject to quarantine for exposure to, or infection with, COVID-19 pursuant to local or state health guidance, and the pupil cannot participate in classroom-based instruction due to the quarantine, shall not attribute quarantine-based independent study average daily attendance required pursuant to law for a nonclassroom-based charter school pursuant to Section 47612.5, as that section read on December 31, 2025, and shall not be required to submit a request for a funding determination as a result of providing independent study to quarantined pupils.

(3) This subdivision shall apply only to pupils participating in independent study due to quarantine who do not have the option of in-person instruction, and only for the period of quarantine mandated pursuant to state or local health guidance or order. This subdivision shall not apply to classroom-based charter schools

1 offering independent study to pupils whose parents or guardians
2 have requested independent study pursuant to subdivision (a) of
3 Section 51745.

4 (k) Commencing with the 2021–22 fiscal year Guide for Annual
5 Audits of K–12 Local Education Agencies and State Compliance
6 Reporting, the Controller shall incorporate verification of the
7 adoption of the policies required pursuant to this section, including
8 loss of apportionment for independent study for local educational
9 agencies found to be noncompliant, unless compliance verification
10 for those policies is already included in the audit guide.

11 (l) The provisions of this section are not subject to waiver by
12 the state board, by the Superintendent, or under any provision of
13 Part 26.8 (commencing with Section 47600).

14 SEC. 24. Article 11 (commencing with Section 51820) is added
15 to Chapter 5 of Part 28 of Division 4 of Title 2 of the Education
16 Code, to read:

17
18 Article 11. Audit Provisions
19

20 51820. The Controller shall include the instructions necessary
21 in the audit guide required by Section 14502.1 to include average
22 daily attendance materiality levels for compliance testing in
23 accordance with Generally Accepted Auditing Standards.

24 51821. (a) The Controller shall include ~~the instructions~~
25 ~~necessary~~ in the audit guide required by Section 14502.1 *the*
26 *instructions necessary* to do both of the following:

27 (1) Include a procedure to determine if the local educational
28 agency has a relationship with a related entity with financial,
29 economic, or controlling membership interests. If the local
30 educational agency is determined to have a relationship with a
31 related party, require the auditor to evaluate the level of the
32 relationship to determine if it is material. For material relationships,
33 require the audit guide to ensure compliance of the related party
34 to disclosure rules of the Financial Accounting Standards Board
35 Accounting Standards Codification and other generally accepted
36 accounting principles.

37 (2) Ensure the local educational agency complies with
38 constraints regarding when financial statement consolidation is
39 required, permitted, and prohibited.

(b) Procedures created pursuant to this section shall be no more burdensome than what is provided for in Generally Accepted Auditing Standards.

51822. Notwithstanding any other law, beginning in the 2027–28 fiscal year, for one or more charter schools consolidated within a school district or a county office of education, the chartering authority’s accounts and annual audit shall separately track and report financial data for each charter school.

51823. The Controller shall include the instructions necessary in the audit guide required by Section 14502.1 to require a schedule of pupil enrollment and attendance that includes pupil enrollment and attendance by month and track, if applicable.

SEC. 25. Article 11.5 (commencing with Section 51827) is added to Chapter 5 of Part 28 of Division 4 of Title 2 of the Education Code, to read:

Article 11.5. Educational ~~Enrichment~~ Activities Support
Vendors

51827. (a) A local educational agency may only enter into an agreement for ~~the provision or arrangement of~~ educational ~~enrichment~~ support activities *meant to enhance a pupil’s program* with a vendor that is vetted and approved pursuant to subdivisions (b) ~~and (c)~~. ~~A to (d)~~, inclusive.

(b) *An educational support activity may only be provided if the activity has been approved and verified by the pupil’s assigned teacher as relevant to specific educational assignments and educationally appropriate for the pupil.*

(c) A local educational agency may expend public funds for ~~the provision or arrangement of~~ educational ~~enrichment~~ support activities, provided that all educational ~~enrichment~~ support activities, materials, and programs ~~shall be~~ *are* nonsectarian.

~~(b)~~
(d) For purposes of subdivision (a), in approving a contract for vendor services for educational ~~enrichment~~ support activities, the governing board or body of the local educational agency shall establish policies and procedures to ensure educational value, pupil safety, and fiscal reasonableness that, at a minimum, do all of the following:

(1) Ensure a reasonable market value for the service provided.

1 (2) Require all vendors to provide proof of valid and appropriate
2 insurance, business licenses, or other certification.

3 (3) Require *that before commencing services*, all vendor
4 personnel interacting with pupils ~~to~~ have a valid criminal records
5 ~~summary summary~~, as described in Section 45125.1, and require
6 that if the vendor performs the criminal background check, it shall
7 immediately provide subsequent arrest and conviction information
8 it receives to the local educational agency pursuant to the
9 subsequent arrest service.

10 (4) Require all vendors to have policies and procedures related
11 to pupil and site safety, including in virtual settings, emergency
12 response, and accident reporting that are reasonable for the
13 instruction or activity.

14 (5) Require all vendors to provide evidence of qualification and
15 expertise for the activities or instruction to be provided.

16 (6) Prohibit the local educational agency from paying ~~any a~~
17 vendor ~~for for~~, or *reimbursing a parent or pupil for the cost of*,
18 educational ~~enrichment support~~ activities before approval.

19 (7) *Prohibit a vendor from requiring additional fees as a*
20 *condition of service, including, but not limited to, fees for*
21 *registration or facility use, to be paid by the pupil's parent or*
22 *guardian, if the pupil is less than 18 years of age, or from the pupil,*
23 *if the pupil is 18 years of age or older.*

24 ~~(e) Any~~

25 (e) A vendor contract that will exceed one hundred thousand
26 dollars (\$100,000) in a fiscal year shall be approved by the
27 governing board or body of the local educational agency in an
28 open public meeting.

29 ~~(d)~~

30 (f) Auditing of the approval of, and compliance with, policies
31 enacted in accordance with subdivisions (b) ~~and (e) to (d)~~,
32 *inclusive*, shall be included in the audit guide, Standards and
33 Procedures for Audits of California K–12 Local Educational
34 Agencies, described in Section 14502.1.

35 ~~(e) Any educational enrichment activity provided by a school~~
36 ~~shall be approved and verified by the pupil's assigned teacher as~~
37 ~~relevant to specific educational assignments and educationally~~
38 ~~appropriate for the pupil.~~

39 (f) ~~Notwithstanding any other law, a vendor providing services~~
40 ~~pursuant to this article shall provide the initial criminal background~~

1 ~~check report before commencing services and immediately provide~~
2 ~~any subsequent arrest and conviction information to the local~~
3 ~~educational agency upon receipt.~~

4 (g) For purposes of this section, ~~“local~~ *the following definitions*
5 *apply:*

6 (1) *“Educational support activity” means any component of a*
7 *pupil’s educational program, other than those required pursuant*
8 *to a pupil’s individualized educational program, that is paid for*
9 *with school funds and that includes direct pupil contact, including*
10 *in-person or online contact, or contact through any electronic*
11 *device, with a person not employed by the local educational*
12 *agency.*

13 (2) *“Local educational agency” means a county office of*
14 *education, school district, or charter school.*

15 (h) This section shall become operative on July 1, 2026.

16 ~~SEC. 26. Section 811.2 of the Government Code is amended~~
17 ~~to read:~~

18 ~~811.2. “Public entity” includes the state, the Regents of the~~
19 ~~University of California, the Trustees of the California State~~
20 ~~University and the California State University, a county, city,~~
21 ~~district, public authority, public agency, charter school, and any~~
22 ~~other political subdivision or public corporation in the State.~~

23 ~~SEC. 27.~~

24 *SEC. 26. If the Commission on State Mandates determines that*
25 *this act contains costs mandated by the state, reimbursement to*
26 *local agencies and school districts for those costs shall be made*
27 *pursuant to Part 7 (commencing with Section 17500) of Division*
28 *4 of Title 2 of the Government Code.*