

AMENDED IN SENATE MARCH 26, 2025

SENATE BILL

No. 414

Introduced by Senator Ashby

February 14, 2025

~~An act to amend Section 1 of the Education Code, relating to education.~~ *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. ~~Education.~~ *School accountability: school financial and performance audits: chartering authorities: tort liability: educational enrichment 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 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 bill would require the governing body of a charter school 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 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 chartering authority has reasonable suspicion that fraud, misappropriations of public funds, embezzlement, or other financial crimes, may be occurring, would require a 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.

The bill would require the Legislative Analyst's Office to, on or before October 1, 2027, study the processes used by other states to authorize, fund oversight, monitor, and renew charter schools, and convene an advisory group of experts on charter school operations and charter authorizing to advise the Legislative Analyst's Office on carrying out that study, as provided.

(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 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, on or before May 31, 2027, 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 with a vendor that is vetted and approved pursuant to the bill. The bill would authorize a local educational agency to expend public funds for the provision or arrangement of educational enrichment activities, provided that all educational enrichment 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 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 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 educational enrichment 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) 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.

~~Existing law establishes the Education Code, which addresses, among other subjects, elementary and secondary education, postsecondary education, and adult education.~~

~~This bill would make a nonsubstantive change to the provision naming that code.~~

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

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

- 1 SECTION 1. Section 14502.1 of the Education Code is amended
- 2 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

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

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

1 and any supplement shall be issued in booklet form and may be
2 made available by any means deemed appropriate. The Controller
3 and consultants in the development of the suggested audit guide
4 and any supplement shall work cooperatively on a timeline that
5 will allow the Education Audit Appeals Panel to meet the July 1
6 and March 1 issuance dates. Consistent with current practices for
7 development of the audit guide before the 2003–04 fiscal year, the
8 Controller shall provide for the adoption of procedures and
9 timetables for the development of the suggested audit guide, any
10 supplement, and the format for additions, deletions, and revisions.

11 (c) For the audit of school districts or county offices of education
12 electing to take formal action pursuant to Sections 22714 and
13 44929, the audit guide content proposed by the Controller shall
14 include, but not be limited to, the following:

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

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

18 (3) A comparison of the salary and benefits of each retiree
19 receiving the additional service credit with the salary and benefits
20 of the replacement employee, if any.

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

23 (d) The Controller shall annually prepare a cost analysis, based
24 on the information included in the audit reports for the prior fiscal
25 year, to determine the net savings or costs resulting from formal
26 actions taken by school districts and county offices of education
27 pursuant to Sections 22714 and 44929, and shall report the results
28 of the cost analysis to the Governor and the Legislature by April
29 1 of each year.

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

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

1 *SEC. 2. Section 41020 of the Education Code is amended to*
2 *read:*

3 41020. (a) It is the intent of the Legislature to encourage sound
4 fiscal management practices among local educational agencies for
5 the most efficient and effective use of public funds for the
6 education of children in California by strengthening fiscal
7 accountability at the school district, county, and state levels.

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

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

25 (3) If the governing board of a local educational agency has not
26 provided for an audit of the books and accounts of the local
27 educational agency by April 1, the county superintendent of schools
28 having jurisdiction over the local educational agency shall provide
29 for the audit of the local educational agency.

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

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

35 (c) Each audit conducted in accordance with this section shall
36 include all funds of the local educational agency, including the
37 student body and cafeteria funds and accounts and any other funds
38 under the control or jurisdiction of the local educational agency.
39 Each audit shall also include an audit of pupil attendance
40 procedures. Each audit shall include a determination of whether

1 funds were expended pursuant to a local control and accountability
2 plan or an approved annual update to a local control and
3 accountability plan pursuant to Article 4.5 (commencing with
4 Section 52059.5) of Chapter 6.1 of Part 28 of Division 4.

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

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

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

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

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

35 (3) It is the intent of the Legislature that, notwithstanding
36 paragraph (2), the rotation within public accounting firms conform
37 to provisions of the federal Sarbanes-Oxley Act of 2002 (Public
38 Law 107-204; 15 U.S.C. Sec. 7201 et seq.), and upon release of
39 the report required by the act of the Comptroller General of the
40 United States addressing the mandatory rotation of registered

1 public accounting firms, the Legislature intends to reconsider
2 paragraph (2). In determining which certified public accountants
3 and public accountants shall be included in the directory, the
4 Controller shall use the following criteria:

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

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

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

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

23 (A) A statement that the audit was conducted pursuant to
24 standards and procedures developed in accordance with Chapter
25 3 (commencing with Section 14500) of Part 9 of Division 1 of
26 Title 1.

27 (B) A summary of audit exceptions and management
28 improvement recommendations.

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

36 (2) To the extent possible, a description of correction or plan
37 of correction shall be incorporated in the audit report, describing
38 the specific actions that are planned to be taken, or that have been
39 taken, to correct the problem identified by the auditor. The
40 descriptions of specific actions to be taken or that have been taken

1 shall not solely consist of general comments such as “will
2 implement,” “accepted the recommendation,” or “will discuss at
3 a later date.”

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

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

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

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

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

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

39 (1) Review audit exceptions related to attendance, inventory of
40 equipment, internal control, and other miscellaneous exceptions.

1 Attendance exceptions or issues shall include, but not be limited
2 to, those related to local control funding formula allocations
3 pursuant to Section 42238.02, as implemented by Section 42238.03,
4 and independent study.

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

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

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

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

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

38 (l) In the audit of a local educational agency for a subsequent
39 year, the auditor shall review the correction or plan or plans of
40 correction submitted by the local educational agency to determine

1 if the exceptions have been resolved. If an exception has not been
2 resolved, the auditor shall immediately notify the appropriate
3 county office of education and the department and restate the
4 exception in the audit report. After receiving that notification, the
5 department shall either consult with the local educational agency
6 to resolve the exception or require the county superintendent of
7 schools to follow up with the local educational agency.

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

11 (A) All federal and state compliance audit exceptions identified
12 in the audit.

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

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

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

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

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

1 and report the results of that followup to the Superintendent and
2 the county superintendents of schools that were reviewed.

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

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

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

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

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

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

26 *41020.4. By January 31, 2026, and by January 31 each year*
27 *thereafter, the governing body of a charter school shall review, at*
28 *a public meeting, the annual audit of the charter school for the*
29 *prior fiscal year, any audit exceptions identified in that audit, the*
30 *recommendations or findings of any management letter issued by*
31 *the auditor, including any findings identified pursuant to paragraph*
32 *(4) of subdivision (a) of Section 41020.6 for a flex-based charter*
33 *school, and any description of correction or plans to correct any*
34 *exceptions or management letter issue. The review shall be placed*
35 *on the agenda of the meeting pursuant to the Ralph M. Brown Act*
36 *(Chapter 9 (commencing with Section 54950) of Part 1 of Division*
37 *2 of Title 5 of the Government Code).*

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

1 41020.5. (a) (1) If the Controller determines by two
2 consecutive quality control reviews pursuant to Section 14504.2,
3 or if a county superintendent of schools determines, that audits
4 performed by a certified public accountant or public accountant
5 under Section 41020 *or* 41020.6 were not performed in substantial
6 conformity with provisions of the audit guide, or that the audit
7 reports, including amended reports, submitted by February 15
8 following the close of the fiscal year audited, for two consecutive
9 years do not conform to provisions of the audit guide as required
10 by Section 14504, the Controller or the county superintendent of
11 schools, as appropriate, shall notify in writing the certified public
12 accountant or public accountant and the California Board of
13 Accountancy.

14 If

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

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

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

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

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

1 offices of education shall not use the audit services of a certified
2 public accountant or public accountant ineligible under this section.

3 (d) For the purposes of this section, “certified public accountant
4 or public accountant” includes any person or firm entering into a
5 contract to conduct an audit under Section ~~41020~~. *41020 or*
6 *41020.6*.

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

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

12 *41020.6. (a) An auditor, when performing an audit described*
13 *in Section 41020, subparagraph (I) of paragraph (5) of subdivision*
14 *(c) of Section 47605, or subparagraph (I) of paragraph (5) of*
15 *subdivision (b) of Section 47605.6, shall do all of the following:*

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

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

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

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

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

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

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

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

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

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

(3) An eligible schoolsite shall not receive funding pursuant to paragraph (2) of less than fifty thousand dollars (\$50,000), adjusted each fiscal year by percentage change applied pursuant to paragraph (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 ~~nonclassroom-based~~ *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.

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

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

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

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

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

12 (E) The pupil is a foster youth.

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

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

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

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

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

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

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

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

38 (e) For purposes of making the computations required by Section
39 8 of Article XVI of the California Constitution, the appropriations
40 made by subdivision (a) shall be deemed to be “General Fund

revenues appropriated for school districts,” as defined in subdivision (c) of Section 41202, for the fiscal year for which the appropriation is made, and included within the “total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B,” as defined in subdivision (e) of Section 41202, for the fiscal year for which the appropriation is made.

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

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

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

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

(3) Four hundred thirty-seven million three hundred ninety thousand dollars (\$437,390,000) from the Elementary and Secondary School Emergency Relief Fund pursuant to the federal American Rescue Plan Act of 2021 (Public Law 117-2) available for obligation through September 30, 2024, unless otherwise provided in federal law. For the purposes of Section 2001(f)(4) of

the federal American Rescue Plan Act of 2021 (Public Law 117-2), this constitutes the state’s reserve of funds for emergency needs.

(4) Seven hundred fifty-three million nine hundred eighty-five thousand dollars (\$753,985,000) from the Elementary and Secondary School Emergency Relief Fund state level reservation to address learning loss, pursuant to the federal American Rescue Plan Act of 2021 (Public Law 117-2) available for obligation through September 30, 2024, unless otherwise provided in federal law. For the purposes of Section 2001(f)(1) of the federal American Rescue Plan Act of 2021 (Public Law 117-2), this constitutes the state’s reserve of funds to carry out activities to address learning loss.

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

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

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

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

(B) Consistent with Section 2576, a county office of education’s local control funding formula entitlement for purposes of

1 subparagraph (A) shall include funding that the Superintendent
2 transferred to the county where a pupil is enrolled, equal to the
3 amount calculated for the school district of residence pursuant to
4 Section 42238.02 for each unit of average daily attendance credited
5 to the school district of residence as of the 2020–21 second
6 principal apportionment certification.

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

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

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

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

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

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

(A) For a local educational agency in a county in the purple tier pursuant to the State Department of Public Health’s Blueprint for a Safer Economy that is neither open nor eligible to open as defined in the COVID-19 industry sector guidance for schools and school-based programs, the local educational agency offers optional in-person instruction pursuant to the State Department of Public Health’s Guidance Related to Cohorts to all pupils who are individuals with exceptional needs, if consistent with each pupil’s individualized education program, and to all prioritized pupil groups described in paragraph (4), unless the number of pupils in the prioritized pupil groups seeking in-person instruction exceeds the practical capacity of a local educational agency to maintain health and safety pursuant to its COVID-19 safety plan, in which case the local educational agency may limit the number of pupils within the prioritized pupil groups that receive in-person instruction to its maximum practical capacity.

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

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

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

(C) For middle schools and high schools, for grades 6 to 12, inclusive, as applicable, when eligible pursuant to COVID-19 industry sector guidance for schools and school-based programs to provide in-person instruction for kindergarten and grades 1 to 12, inclusive, the local educational agency offers optional in-person instruction to all pupils required to be offered in-person instruction

1 pursuant to subparagraph (A), and to all pupils in at least one full
2 grade level.

3 (D) (i) Except as provided in clause (ii), for a local educational
4 agency in a county in the purple tier pursuant to the State
5 Department of Public Health's Blueprint for a Safer Economy, the
6 local educational agency conducts asymptomatic testing for staff
7 and pupils participating in in-person instruction consistent with
8 the state-supported cadences set forth in the COVID-19 industry
9 sector guidance for schools and school-based programs.

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

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

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

25 (B) Homeless pupils.

26 (C) Foster youth.

27 (D) English learners.

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

31 (F) Disengaged pupils.

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

37 (6) (A) The State Department of Education's calculation of a
38 local educational agency's apportionment of remaining state funds
39 pursuant to subdivision (f) shall include a reduction equal to the
40 amount of funds reduced pursuant to clause (i) of subparagraph

1 (B) of paragraph (2) or forfeited pursuant to clause (ii) of
2 subparagraph (B) of paragraph (2).

3 (B) Any funds reduced pursuant to clause (i) of subparagraph
4 (B) of paragraph (2) or forfeited pursuant to clause (ii) of
5 subparagraph (B) of paragraph (2) shall be redistributed in the
6 calculations made pursuant to paragraph (1).

7 (d) A local educational agency receiving funds pursuant to this
8 section shall comply with the requirements of Section 43503 for
9 all pupils participating in distance learning, instructional time
10 requirements pursuant to Section 43501 for the 2020–21 school
11 year, and applicable instructional day requirements pursuant to
12 Chapter 2 (commencing with Section 46100) of Part 26 of Division
13 4 for the 2021–22 school year.

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

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

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

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

38 (2) State funds apportioned to a local educational agency or
39 state special school pursuant to this section shall be available for
40 expenditure through September 30, 2024. Federal funds

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

5 (g) Neither the funding conditions or other requirements
6 established in this chapter or Article 8 (commencing with Section
7 32090) of Chapter 1 of Part 19 of Division 1 of Title 1, nor the
8 issuance of any nonmandatory guidance by the State Department
9 of Public Health shall be construed as creating or establishing an
10 affirmative obligation for a local educational agency to revise its
11 completed COVID-19 safety plan that is publicly posted on its
12 internet website on or before March 31, 2021.

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

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

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

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

appropriated pursuant to Article XIII B,” as defined in subdivision (e) of Section 41202, for the 2020–21 fiscal year.

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

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

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

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

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

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

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

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

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

20 (e) (1) Notwithstanding Sections 46112, 46113, 46114, 46117,
21 46141, 46142, 46146, 46148, 46146.5, 46170, 46180, 48645.3,
22 and 48663, pupils participating in an attendance recovery program
23 operating pursuant to this section may generate average daily
24 attendance. Average daily attendance generated through a pupil's
25 participation in an attendance recovery program may be
26 accumulated in increments of one hour, as documented by the
27 teacher of each attendance recovery classroom described in
28 subdivision (g) and maintained by the local educational agency.
29 A pupil shall only be credited with not less than a full day of
30 attendance in an attendance recovery program, and only once the
31 amount of time that a pupil participates in an attendance recovery
32 program meets the applicable minimum daily minutes requirements
33 pursuant to Article 2 (commencing with Section 46110) and Article
34 3 (commencing with Section 46140), including the minimum
35 schoolday for a pupil with an individualized education program
36 pursuant to Section 46307, up to the limits established in
37 subdivision (d).

38 (2) (A) For the purposes of computing average daily attendance
39 for purposes of this article, the minimum daily instructional minute
40 requirements pursuant to Article 2 (commencing with Section

1 46110) and Article 3 (commencing with Section 46140) apply to
2 all local educational agencies, including charter schools.

3 (B) Charter schools shall comply with the minimum daily
4 instructional minute requirements for the applicable grade span
5 pursuant to Sections 46112, 46113, 46114, 46117, 46141, and
6 46142.

7 (f) As a condition of generating average daily attendance, an
8 attendance recovery program shall be composed of pupils engaged
9 in educational activities and content aligned to grade level
10 standards that are substantially equivalent to the pupils' regular
11 instructional program, which may include one-on-one or small
12 group tutoring, and shall be under the immediate supervision and
13 control of a certificated teacher who is also an employee of the
14 local educational agency and who possesses a valid certification
15 document, registered as required by law, pursuant to Sections
16 46300 and 47612.5. An attendance recovery program shall not
17 exceed a pupil-to-certificated teacher ratio of 10 to 1 for transitional
18 kindergarten and kindergarten or 20 to 1 for grades 1 to 12,
19 inclusive. A local educational agency shall maintain documentation
20 demonstrating how the attendance recovery program met the
21 applicable ratios required pursuant to this subdivision.

22 (g) (1) An attendance recovery program shall be provided only
23 as a limited-term option for a classroom-based, regular educational
24 program for pupils in transitional kindergarten, kindergarten, and
25 grades 1 to 12, inclusive. Pupils otherwise enrolled in a
26 nonclassroom-based program, including pupils served by a
27 ~~nonclassroom-based~~ *flex-based* charter school pursuant to Section
28 47612.5, shall not participate in an attendance recovery program
29 and a local educational agency shall not generate apportionment
30 through an attendance recovery program for pupils enrolled in a
31 nonclassroom-based program.

32 (2) (A) For school districts, a pupil is enrolled in a
33 nonclassroom-based program for purposes of this subdivision if
34 the pupil meets the minimum day requirements for independent
35 study and is continually enrolled in independent study for more
36 than 15 schooldays in a school year.

37 (B) For charter schools, a pupil is enrolled in a
38 nonclassroom-based program for purposes of this subdivision if
39 the pupil is continually enrolled in independent study for more
40 than 15 schooldays on any of the days on which school is taught

1 for the purpose of meeting the requirement to offer 175
2 instructional days, as described in Section 11960 of Title 5 of the
3 California Code of Regulations.

4 (3) A charter school that serves pupils pursuant to Section
5 47612.1 shall not participate in an attendance recovery program
6 operated pursuant to this section.

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

11 (i) (1) In consultation with the executive director of the state
12 board, the department shall research local pupil information
13 systems to identify opportunities for local educational agencies to
14 collect and report to the state more nuanced data about the reasons
15 for pupil absences.

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

20 (A) School closures due to emergencies pursuant to Section
21 41422.

22 (B) Schooldays of materially decreased attendance due to
23 emergencies pursuant to Section 46392.

24 (C) Pupil absences due to emergencies pursuant to Section
25 46392, or any other personal or large-scale emergencies.

26 (3) The department shall use the research collected pursuant to
27 this subdivision to develop recommendations to amend existing
28 laws, regulations, guidance, and processes to collect, aggregate,
29 and disaggregate absenteeism data from local educational agencies
30 to provide additional clarity on the causes of pupil absenteeism
31 across the state, including by pupil subgroup. These
32 recommendations shall include steps to calculate an adjusted
33 chronic absenteeism rate that does not include absences due to
34 emergencies pursuant to Section 46392.

35 (4) On or before January 1, 2026, the department shall submit
36 a report of its findings and recommendations to the chairs of the
37 budget committees of both houses of the Legislature, the
38 Superintendent, the executive director of the state board, and the
39 Director of Finance.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

24 (2) (A) The governing body of one ~~nonclassroom-based~~
25 *flex-based* charter school that does not have a facility or operates
26 one or more resource centers shall meet within the physical
27 boundaries of the county in which the greatest number of pupils
28 who are enrolled in that charter school reside.

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

31 (3) (A) For a governing body of an entity managing one or
32 more charter schools located within the same county, the governing
33 body of the entity managing a charter school shall meet within the
34 physical boundaries of the county in which that charter school or
35 schools are located.

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

38 (4) (A) For a governing body of an entity that manages two or
39 more charter schools that are not located in the same county, the
40 governing body of the entity managing the charter schools shall

1 meet within the physical boundaries of the county in which the
2 greatest number of pupils enrolled in those charter schools managed
3 by that entity reside.

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

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

10 (5) This subdivision does not limit the authority of the governing
11 body of a charter school and an entity managing a charter school
12 to meet outside the boundaries described in this subdivision if
13 authorized by Section 54954 of the Government Code, and the
14 meeting place complies with Section 54961 of the Government
15 Code.

16 (d) Notwithstanding Article 4 (commencing with Section 1090)
17 of Chapter 1 of Division 4 of Title 1 of the Government Code, an
18 employee of a charter school shall not be disqualified from serving
19 as a member of the governing body of the charter school because
20 of that employee's employment status. A member of the governing
21 body of a charter school who is also an employee of the charter
22 school shall abstain from voting on, or influencing or attempting
23 to influence another member of the governing body regarding, all
24 matters uniquely affecting that member's employment.

25 (e) To the extent a governing body of a charter school or an
26 entity managing a charter school engages in activities that are
27 unrelated to a charter school, Article 4 (commencing with Section
28 1090) of Chapter 1 of Division 4 of Title 1 of the Government
29 Code, the Ralph M. Brown Act (Chapter 9 (commencing with
30 Section 54950) of Part 1 of Division 2 of Title 5 of the Government
31 Code), the Bagley-Keene Open Meeting Act (Article 9
32 (commencing with Section 11120) of Chapter 1 of Part 1 of
33 Division 3 of Title 2 of the Government Code), the California
34 Public Records Act (Division 10 (commencing with Section
35 7920.000) of Title 1 of the Government Code), and the Political
36 Reform Act of 1974 (Title 9 (commencing with Section 81000)
37 of the Government Code) shall not apply with regard to those
38 unrelated activities unless otherwise required by law.

39 (f) A meeting of the governing body of a charter school to
40 discuss items related to the operation of the charter school shall

1 not include the discussion of any item regarding an activity of the
2 governing body that is unrelated to the operation of the charter
3 school.

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

6 *SEC. 10. Section 47604.3 of the Education Code is amended*
7 *to read:*

8 47604.3. (a) A charter school ~~and an entity managing a charter~~
9 ~~school~~ shall promptly respond to all reasonable inquiries, including,
10 but not limited to, inquiries regarding its *respective* financial
11 ~~records, records and contracts~~, from its chartering authority, the
12 county office of education that has jurisdiction over the *charter*
13 ~~school's chartering authority, or from the Superintendent of Public~~
14 ~~Instruction~~ and shall consult with the chartering authority, the
15 county office of education, or the Superintendent ~~of Public~~
16 ~~Instruction~~ regarding any inquiries.

17 (b) *Notwithstanding any other law or contract entered into by*
18 *the charter school or an entity managing a charter school, a*
19 *charter school or entity managing a charter school shall be immune*
20 *from liability for violations of confidentiality agreements or*
21 *violations of privacy rights of pupils and employees when*
22 *disclosing records or information pursuant to a request from its*
23 *chartering authority, the county office of education that has*
24 *jurisdiction over the charter school's chartering authority, the*
25 *Superintendent, or the Commission on Teacher Credentialing.*

26 *SEC. 11. Section 47604.32 of the Education Code is amended*
27 *to read:*

28 47604.32. (a) Each chartering authority, in addition to any
29 other duties imposed by this part, shall do all of the following with
30 respect to each charter school under its authority:

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

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

34 (3) Ensure that each charter school under its authority complies
35 with all reports required of charter schools by law, including the
36 local control and accountability plan and annual update to the local
37 control and accountability plan required pursuant to Section
38 47606.5.

39 (4) Monitor the fiscal ~~condition~~ *condition, including enrollment*
40 *and attendance data, and a review of a sample of credit and debit*

1 *card transactions of each charter school under its authority. The*
2 *chartering authority shall provide the governing body of the*
3 *charter school with feedback on any issues of concern identified*
4 *in the review and an opportunity to respond. If in the course of the*
5 *review, the chartering authority has reasonable suspicion that*
6 *fraud, misappropriations of public funds, embezzlement, or other*
7 *financial crimes may be occurring, the chartering authority shall*
8 *notify the department and the county office of education.*

9 (5) Provide timely notification to the department if any of the
10 following circumstances occur or will occur with regard to a charter
11 school for which it is the chartering authority:

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

13 (B) The charter is revoked.

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

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

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

21 *SEC. 12. Section 47604.5 of the Education Code is amended*
22 *to read:*

23 47604.5. The state ~~board~~ board, or the state board's designee,
24 shall promptly investigate allegations of false claims or
25 misappropriation of public funds by charter schools if there is
26 probable cause to believe that those crimes have occurred. The
27 state board may, based upon and in concurrence with the
28 recommendation of the Superintendent, take appropriate action,
29 including, but not limited to, revocation of the charter school's
30 charter, when the state board finds any of the following:

31 (a) Gross financial mismanagement that jeopardizes the financial
32 stability of the charter school.

33 (b) ~~Illegal~~ False claims by the charter school or illegal or
34 substantially improper use of charter school funds for the personal
35 benefit of any officer, director, or fiduciary of the charter school.

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

39 (d) Failure to improve pupil outcomes across multiple state and
40 school priorities identified in the charter pursuant to subparagraph

1 (A) of paragraph (5) of subdivision (c) of Section 47605 or
2 subparagraph (A) of paragraph (5) of subdivision (b) of Section
3 47605.6.

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

6 *SEC. 13. Section 47605 of the Education Code is amended to*
7 *read:*

8 47605. (a) (1) Except as set forth in paragraph (2), a petition
9 for the establishment of a charter school within a school district
10 may be circulated by one or more persons seeking to establish the
11 charter school. A petition for the establishment of a charter school
12 shall identify a single charter school that will operate within the
13 geographic boundaries of that school district. A charter school
14 may propose to operate at multiple sites within the school district
15 if each location is identified in the charter school petition. The
16 petition may be submitted to the governing board of the school
17 district for review after either of the following conditions is met:

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

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

26 (2) A petition that proposes to convert an existing public school
27 to a charter school that would not be eligible for a loan pursuant
28 to subdivision (c) of Section 41365 may be circulated by one or
29 more persons seeking to establish the charter school. The petition
30 may be submitted to the governing board of the school district for
31 review after the petition is signed by not less than 50 percent of
32 the permanent status teachers currently employed at the public
33 school to be converted.

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

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

10 (5) (A) A charter school that established one site outside the
11 boundaries of the school district, but within the county in which
12 that school district is located before January 1, 2020, may continue
13 to operate that site until the charter school submits a request for
14 the renewal of its charter petition. To continue operating the site,
15 the charter school shall do either of the following:

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

19 (ii) Submit a request for the renewal of the charter petition
20 pursuant to Section 47607 to the school district in which the charter
21 school is located.

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

30 (C) Notwithstanding subparagraph (A), if a charter school was
31 relocated from December 31, 2016, to December 31, 2019,
32 inclusive, due to a Presidential declaration of a major disaster or
33 emergency in accordance with the federal Robert T. Stafford
34 Disaster Relief and Emergency Assistance Act (42 U.S.C. Sec.
35 5121 et seq.), that charter school shall be allowed to return to its
36 original campus location in perpetuity.

37 (D) (i) A charter school in operation and providing educational
38 services to pupils before October 1, 2019, located on a federally
39 recognized California Indian reservation or rancheria or operated
40 by a federally recognized California Indian tribe shall be exempt

1 from the geographic restrictions of paragraph (1) and subparagraph
2 (A) of this paragraph and the geographic restrictions of subdivision
3 (a) of Section 47605.1.

4 (ii) The exemption to the geographic restrictions of subdivision
5 (a) of Section 47605.1 in clause (i) does not apply to
6 ~~nonclassroom-based~~ *flex-based* charter schools operating pursuant
7 to Section 47612.5.

8 (E) The department shall regard as a continuing charter school
9 for all purposes a charter school that was granted approval of its
10 petition, that was providing educational services to pupils before
11 October 1, 2019, and is authorized by a different chartering
12 authority due to changes to this paragraph that took effect January
13 1, 2020. This paragraph shall be implemented only to the extent
14 it does not conflict with federal law. In order to prevent any
15 potential conflict with federal law, this paragraph does not apply
16 to covered programs as identified in Section 8101(11) of the federal
17 Elementary and Secondary Education Act of 1965 (20 U.S.C. Sec.
18 7801) to the extent the affected charter school is the restructured
19 portion of a divided charter school pursuant to Section 47654.

20 (6) Commencing January 1, 2003, a petition to establish a charter
21 school shall not be approved to serve pupils in a grade level that
22 is not served by the school district of the governing board
23 considering the petition, unless the petition proposes to serve pupils
24 in all of the grade levels served by that school district.

25 (b) No later than 60 days after receiving a petition, in accordance
26 with subdivision (a), the governing board of the school district
27 shall hold a public hearing on the provisions of the charter, at
28 which time the governing board of the school district shall consider
29 the level of support for the petition by teachers employed by the
30 school district, other employees of the school district, and parents.
31 Following review of the petition and the public hearing, the
32 governing board of the school district shall either grant or deny
33 the charter within 90 days of receipt of the petition, provided,
34 however, that the date may be extended by an additional 30 days
35 if both parties agree to the extension. A petition is deemed received
36 by the governing board of the school district for purposes of
37 commencing the timelines described in this subdivision on the day
38 the petitioner submits a petition to the district office, along with a
39 signed certification that the petitioner deems the petition to be
40 complete. The governing board of the school district shall publish

1 all staff recommendations, including the recommended findings
2 and, if applicable, the certification from the county superintendent
3 of schools prepared pursuant to paragraph (8) of subdivision (c),
4 regarding the petition at least 15 days before the public hearing at
5 which the governing board of the school district will either grant
6 or deny the charter. At the public hearing at which the governing
7 board of the school district will either grant or deny the charter,
8 petitioners shall have equivalent time and procedures to present
9 evidence and testimony to respond to the staff recommendations
10 and findings.

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

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

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

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

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

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

37 (A) (i) The educational program of the charter school, designed,
38 among other things, to identify those whom the charter school is
39 attempting to educate, what it means to be an “educated person”
40 in the 21st century, and how learning best occurs. The goals

1 identified in that program shall include the objective of enabling
2 pupils to become self-motivated, competent, and lifelong learners.

3 (ii) The annual goals for the charter school for all pupils and
4 for each subgroup of pupils identified pursuant to Section 52052,
5 to be achieved in the state priorities, as described in subdivision
6 (d) of Section 52060, that apply for the grade levels served, and
7 specific annual actions to achieve those goals. A charter petition
8 may identify additional school priorities, the goals for the school
9 priorities, and the specific annual actions to achieve those goals.

10 (iii) If the proposed charter school will serve high school pupils,
11 the manner in which the charter school will inform parents about
12 the transferability of courses to other public high schools and the
13 eligibility of courses to meet college entrance requirements.
14 Courses offered by the charter school that are accredited by the
15 Western Association of Schools and Colleges may be considered
16 transferable and courses approved by the University of California
17 or the California State University as creditable under the “A to G”
18 admissions criteria may be considered to meet college entrance
19 requirements.

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

31 (C) The method by which pupil progress in meeting those pupil
32 outcomes is to be measured. To the extent practicable, the method
33 for measuring pupil outcomes for state priorities shall be consistent
34 with the way information is reported on a school accountability
35 report card.

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

39 (E) The qualifications to be met by individuals to be employed
40 by the charter school.

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

4 (i) That each employee of the charter school furnish the charter
5 school with a criminal record summary as described in Section
6 44237.

7 (ii) For all schools, the development of a school safety plan,
8 which shall include the safety topics listed in subparagraphs (A)
9 to (M), inclusive, of paragraph (2) of subdivision (a) of Section
10 32282. For schools serving pupils in any of grades 7 to 12,
11 inclusive, the development of a school safety plan shall also include
12 the safety topic listed in subparagraph (N) of paragraph (2) of
13 subdivision (a) of Section 32282.

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

16 (G) The means by which the charter school will achieve a
17 balance of racial and ethnic pupils, special education pupils, and
18 English learner pupils, including redesignated fluent English
19 proficient pupils, as defined by the evaluation rubrics in Section
20 52064.5, that is reflective of the general population residing within
21 the territorial jurisdiction of the school district to which the charter
22 petition is submitted. Upon renewal, for a charter school not
23 deemed to be a local educational agency for purposes of special
24 education pursuant to Section 47641, the chartering authority may
25 consider the effect of school placements made by the chartering
26 authority in providing a free and appropriate public education as
27 required by the federal Individuals with Disabilities Education Act
28 (Public Law 101-476), on the balance of pupils with disabilities
29 at the charter school.

30 (H) Admission policies and procedures, consistent with
31 subdivision (e).

32 (I) The manner in which annual, independent financial audits
33 shall be conducted, which shall employ generally accepted
34 accounting principles, and the manner in which audit exceptions
35 and deficiencies shall be resolved to the satisfaction of the
36 chartering authority.

37 (J) The procedures by which pupils can be suspended or expelled
38 from the charter school for disciplinary reasons or otherwise
39 involuntarily removed from the charter school for any reason.
40 These procedures, at a minimum, shall include an explanation of

1 how the charter school will comply with federal and state
2 constitutional procedural and substantive due process requirements
3 that are consistent with all of the following:

4 (i) For suspensions of fewer than 10 days, provide oral or written
5 notice of the charges against the pupil and, if the pupil denies the
6 charges, an explanation of the evidence that supports the charges
7 and an opportunity for the pupil to present the pupil's side of the
8 story.

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

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

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

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

1 the procedures specified in clause (ii), the pupil shall remain
2 enrolled and shall not be removed until the charter school issues
3 a final decision. For purposes of this clause, “involuntarily
4 removed” includes disenrolled, dismissed, transferred, or
5 terminated, but does not include suspensions specified in clauses
6 (i) and (ii).

7 (iv) A foster child’s educational rights holder, attorney, and
8 county social worker and an Indian child’s tribal social worker
9 and, if applicable, county social worker shall have the same rights
10 a parent or guardian of a child has to receive a suspension notice,
11 expulsion notice, manifestation determination notice, involuntary
12 transfer notice, and other documents and related information.

13 (K) The manner by which staff members of the charter schools
14 will be covered by the State Teachers’ Retirement System, the
15 Public Employees’ Retirement System, or federal social security.

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

18 (M) The rights of an employee of the school district upon
19 leaving the employment of the school district to work in a charter
20 school, and of any rights of return to the school district after
21 employment at a charter school.

22 (N) The procedures to be followed by the charter school and
23 the chartering authority to resolve disputes relating to provisions
24 of the charter.

25 (O) The procedures to be used if the charter school closes. The
26 procedures shall ensure a final audit of the charter school to
27 determine the disposition of all assets and liabilities of the charter
28 school, including plans for disposing of any net assets and for the
29 maintenance and transfer of pupil records.

30 (6) The petition does not contain a declaration of whether or
31 not the charter school shall be deemed the exclusive public
32 employer of the employees of the charter school for purposes of
33 Chapter 10.7 (commencing with Section 3540) of Division 4 of
34 Title 1 of the Government Code.

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

1 (A) The extent to which the proposed charter school would
2 substantially undermine existing services, academic offerings, or
3 programmatic offerings.

4 (B) Whether the proposed charter school would duplicate a
5 program currently offered within the school district and the existing
6 program has sufficient capacity for the pupils proposed to be served
7 within reasonable proximity to where the charter school intends
8 to locate.

9 (8) The school district is not positioned to absorb the fiscal
10 impact of the proposed charter school. A school district satisfies
11 this paragraph if it has a qualified interim certification pursuant to
12 Section 42131 and the county superintendent of schools, in
13 consultation with the County Office Fiscal Crisis and Management
14 Assistance Team, certifies that approving the charter school would
15 result in the school district having a negative interim certification
16 pursuant to Section 42131, has a negative interim certification
17 pursuant to Section 42131, or is under state receivership. Charter
18 schools proposed in a school district satisfying one of these
19 conditions shall be subject to a rebuttable presumption of denial.

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

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

27 (e) (1) In addition to any other requirement imposed under this
28 part, a charter school shall be nonsectarian in its programs,
29 admission policies, employment practices, and all other operations,
30 shall not charge tuition, and shall not discriminate against a pupil
31 on the basis of the characteristics listed in Section 220. Except as
32 provided in paragraph (2), admission to a charter school shall not
33 be determined according to the place of residence of the pupil, or
34 of that pupil's parent or legal guardian, within this state, except
35 that an existing public school converting partially or entirely to a
36 charter school under this part shall adopt and maintain a policy
37 giving admission preference to pupils who reside within the former
38 attendance area of that public school.

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

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

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

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

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

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

(C) In the event of a drawing, the chartering authority shall make reasonable efforts to accommodate the growth of the charter school and shall not take any action to impede the charter school 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

1 school demonstrates that the pupil had been enrolled in the charter
2 school. This paragraph applies only to pupils subject to compulsory
3 full-time education pursuant to Section 48200.

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

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

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

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

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

27 (ii) Before conducting an enrollment lottery.

28 (iii) Before disenrollment of a pupil.

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

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

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

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

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

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

20 (i) In reviewing petitions for the establishment of charter schools
21 within the school district, the governing board of the school district
22 shall give preference to petitions that demonstrate the capability
23 to provide comprehensive learning experiences to pupils identified
24 by the petitioner or petitioners as academically low achieving
25 pursuant to the standards established by the department under
26 Section 54032, as that section read before July 19, 2006.

27 (j) Upon the approval of the petition by the governing board of
28 the school district, the petitioner or petitioners shall provide written
29 notice of that approval, including a copy of the petition, to the
30 applicable county superintendent of schools, the department, and
31 the state board.

32 (k) (1) (A) (i) If the governing board of a school district denies
33 a petition, the petitioner may elect to submit the petition for the
34 establishment of a charter school to the county board of education.
35 The petitioner shall submit the petition to the county board of
36 education within 30 days of a denial by the governing board of the
37 school district. At the same time the petition is submitted to the
38 county board of education, the petitioner shall also provide a copy
39 of the petition to the school district. The county board of education
40 shall review the petition pursuant to subdivisions (b) and (c). If

1 the petition submitted on appeal contains new or different material
2 terms, the county board of education shall immediately remand
3 the petition to the governing board of the school district for
4 reconsideration, which shall grant or deny the petition within 30
5 days. If the governing board of the school district denies a petition
6 after reconsideration, the petitioner may elect to resubmit the
7 petition for the establishment of a charter school to the county
8 board of education.

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

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

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

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

34 (A) The petitioner shall submit the petition to the state board
35 within 30 days of a denial by the county board of education. The
36 petitioner shall include the findings and documentary record from
37 the governing board of the school district and the county board of
38 education and a written submission detailing, with specific citations
39 to the documentary record, how the governing board of the school
40 district and the county board of education abused their discretion.

1 The governing board of the school district and county board of
2 education shall prepare the documentary record, including
3 transcripts of the public hearing at which the governing board of
4 the school district and county board of education denied the charter,
5 at the request of the petitioner. The documentary record shall be
6 prepared by the governing board of the school district and county
7 board of education no later than 10 business days after the request
8 of the petitioner is made. At the same time the petition and
9 supporting documentation is submitted to the state board, the
10 petitioner shall also provide a copy of the petition and supporting
11 documentation to the school district and the county board of
12 education.

13 (B) If the appeal contains new or different material terms, as
14 defined in clause (iii) of subparagraph (A) of paragraph (1), the
15 state board shall immediately remand the petition to the governing
16 board of the school district to which the petition was submitted
17 for reconsideration. The governing board of the school district
18 shall grant or deny the petition within 30 days. If the governing
19 board of the school district denies a petition after reconsideration,
20 the petitioner may elect to resubmit the petition to the state board.

21 (C) Within 30 days of receipt of the appeal submitted to the
22 state board, the governing board of the school district or county
23 board of education may submit a written opposition to the state
24 board detailing, with specific citations to the documentary record,
25 how the governing board of the school district or the county board
26 of education did not abuse its discretion in denying the petition.
27 The governing board of the school district or the county board of
28 education may submit supporting documentation or evidence from
29 the documentary record that was considered by the governing
30 board of the school district or the county board of education.

31 (D) The state board's Advisory Commission on Charter Schools
32 shall hold a public hearing to review the appeal and documentary
33 record. Based on its review, the Advisory Commission on Charter
34 Schools shall submit a recommendation to the state board whether
35 there is sufficient evidence to hear the appeal or to summarily deny
36 review of the appeal based on the documentary record. If the
37 Advisory Commission on Charter Schools does not submit a
38 recommendation to the state board, the state board shall consider
39 the appeal, and shall either hear the appeal or summarily deny

1 review of the appeal based on the documentary record at a regular
2 public meeting of the state board.

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

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

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

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

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

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

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

17 (3) The Commission on Teacher Credentialing shall include in
18 the bulletins it issues pursuant to subdivision (k) of Section 44237
19 to provide notification to local educational agencies of any adverse
20 actions taken against the holders of any commission documents,
21 notice of any adverse actions taken against teachers employed by
22 charter schools, and shall make this bulletin available to all
23 chartering authorities and charter schools in the same manner in
24 which it is made available to local educational agencies.

25 (m) A charter school shall transmit a copy of its annual,
26 independent financial audit report for the preceding fiscal year, as
27 described in subparagraph (I) of paragraph (5) of subdivision (c),
28 to its chartering authority, the Controller, the county superintendent
29 of schools of the county in which the charter school is sited, unless
30 the county board of education of the county in which the charter
31 school is sited is the chartering authority, and the department by
32 December 15 of each year. This subdivision does not apply if the
33 audit of the charter school is encompassed in the audit of the
34 chartering authority pursuant to Section 41020.

35 (n) A charter school may encourage parental involvement, but
36 shall notify the parents and guardians of applicant pupils and
37 currently enrolled pupils that parental involvement is not a
38 requirement for acceptance to, or continued enrollment at, the
39 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:

(A) The facility is used exclusively for the educational support of pupils who are enrolled in ~~nonclassroom-based independent study~~ of *flex-based instruction* at the charter school.

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

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

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

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

7 (5) (A) A charter school that was operating a resource center,
8 meeting space, or other satellite facility outside the jurisdiction of
9 the school district where the charter school is physically located
10 before January 1, 2020, may continue to operate the resource
11 center, meeting space, or other satellite facility until the charter
12 school submits a request for the renewal of its charter petition. To
13 continue operating the resource center, meeting space, or other
14 satellite facility, the charter school, before submitting the request
15 to the charter school's chartering authority for the renewal of the
16 charter petition, shall first obtain approval in writing from the
17 school district where the resource center, meeting space, or other
18 satellite facility is operating.

19 (B) The department shall regard as a continuing charter school
20 for all purposes a ~~nonclassroom-based~~ *flex-based* charter school
21 that was granted approval of its petition, that was providing
22 educational services to pupils before October 1, 2019, and is
23 authorized by a different chartering authority due to changes to
24 this subdivision by the addition of this paragraph that took effect
25 January 1, 2020.

26 (6) A countywide charter school approved by a county office
27 of education that is operating a resource center, meeting space, or
28 other satellite facility in a county other than the county in which
29 the countywide charter school is authorized before January 1, 2020,
30 may continue to operate that resource center, meeting space, or
31 other satellite facility until the countywide charter school submits
32 a request for the renewal of its charter petition. To continue
33 operating the resource center, meeting space, or other satellite
34 facility, the countywide charter school, before submitting the
35 request to the countywide charter school's chartering authority for
36 the renewal of the charter petition, shall obtain approval in writing
37 from the county office of education where the resource center,
38 meeting space, or other satellite facility is operating.

39 (7) If a Presidential declaration of a major disaster or emergency
40 is issued in accordance with the federal Robert T. Stafford Disaster

1 Relief and Emergency Assistance Act (42 U.S.C. Sec. 5121 et
2 seq.) for an area in which a charter school is operating a resource
3 center, meeting space, or other satellite facility, the charter school,
4 for not more than five years, may relocate the resource center,
5 meeting space, or other satellite facility outside the area subject
6 to the Presidential declaration if the charter school first obtains the
7 written approval of the school district where the resource center,
8 meeting space, or other satellite facility is being relocated to.

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

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

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

18 (9) (A) Notwithstanding paragraph (5), a charter school that
19 operates a resource center located in a school district outside of
20 the boundaries of the charter school's authorizing school district
21 may continue to operate the existing resource center if all of the
22 following conditions are met:

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

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

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

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

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

37 (d) (1) For a charter school that was granted approval of its
38 charter before July 1, 2002, and provided educational services to
39 pupils before July 1, 2002, this section only applies to new

1 educational services or schoolsites established or acquired by the
2 charter school on or after July 1, 2002.

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

7 (3) Notwithstanding other implementation timelines in this
8 section, by June 30, 2005, or upon the expiration of a charter that
9 is in existence on January 1, 2003, whichever is later, all charter
10 schools shall be required to comply with this section for schoolsites
11 at which educational services are provided to pupils before or after
12 July 1, 2002, regardless of whether the charter school initially
13 received approval of its charter school petition before July 1, 2002.
14 To achieve compliance with this section, a charter school shall be
15 required to receive approval of a charter petition in accordance
16 with this section and Section 47605.

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

20 (e) A charter school that submits its petition directly to a county
21 board of education, as authorized by Section 47605.5 or 47605.6,
22 may establish charter school operations only within the
23 geographical boundaries of the county in which that county board
24 of education has jurisdiction.

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

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

31 (2) Federally affiliated Youth Build programs.

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

34 (4) The California Conservation Corps or local conservation
35 corps certified by the California Conservation Corps pursuant to
36 ~~Sections~~ Section 14507.5 or 14406 of the Public Resources Code.

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

1 *SEC. 15. Section 47612.5 of the Education Code is amended*
2 *to read:*

3 47612.5. (a) Notwithstanding any other law and as a condition
4 of apportionment, a charter school shall do all of the following:

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

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

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

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

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

11 (2) Maintain written contemporaneous records that document
12 all pupil attendance and make these records available for audit and
13 inspection.

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

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

27 (c) A reduction in apportionment made pursuant to subdivision
28 (a) shall be proportional to the magnitude of the exception that
29 causes the reduction. For purposes of paragraph (1) of subdivision
30 (a), for each charter school that fails to offer pupils the minimum
31 number of minutes of instruction specified in that paragraph, the
32 Superintendent shall withhold from the charter school's
33 apportionment for average daily attendance of the affected pupils,
34 by grade level, the sum of that apportionment multiplied by the
35 percentage of the minimum number of minutes of instruction at
36 each grade level that the charter school failed to offer.

37 (d) (1) Notwithstanding any other law and except as provided
38 in paragraph (1) of subdivision (e), a charter school that has an
39 approved charter may receive funding for ~~nonclassroom-based~~
40 *flex-based* instruction only if a determination for funding is made

pursuant to Section 47634.2 by the state board. The determination for funding shall be subject to any conditions or limitations the state board may prescribe. ~~The state board shall adopt regulations on or before February 1, 2002, adopted by the state board that define and establish general rules governing nonclassroom-based instruction that apply to flex-based instruction, as defined in paragraph (2) of subdivision (e), as that paragraph read on December 31, 2023, shall apply to flex-based instruction for all charter schools and to the process for determining funding of nonclassroom-based flex-based instruction by charter schools offering nonclassroom-based flex-based instruction other than the nonclassroom-based flex-based instruction allowed by paragraph (1) of subdivision (e). Nonclassroom-based Flex-based instruction includes, but is not limited to, independent study, home study, work study, and distance and computer-based education. In prescribing any conditions or limitations relating to the qualifications of instructional personnel, the state board shall be guided by subdivision (l) of Section 47605.~~

(2) Except as provided in paragraph (2) of subdivision (b) of Section 47634.2, a charter school that receives a determination pursuant to subdivision (b) of Section 47634.2 is not required to reapply annually for a funding determination of its ~~nonclassroom-based flex-based instruction program if an update of the information the state board reviewed when initially determining funding would not require material revision, as that term is defined in regulations adopted by the board. A charter school that has achieved a rank of 6 or greater on the Academic Performance Index for the two years immediately before receiving a funding determination pursuant to subdivision (b) of Section 47634.2 shall receive a five-year determination and is not required to annually reapply for a funding determination of its nonclassroom-based instruction program if an update of the information the state board reviewed when initially determining funding would not require material revision, as that term is defined in regulations adopted by the state board.~~ Notwithstanding any *other* law, the state board may require a charter school to provide updated information at any time it determines that a review of that information is necessary. The state board may terminate a determination for funding if updated or additional information requested by the board is not made available to the board by the

1 charter school within a reasonable amount of time or if the
2 information otherwise supports termination. A determination for
3 funding pursuant to Section 47634.2 shall not exceed five years.

4 (3) A charter school that offers ~~nonclassroom-based~~ *flex-based*
5 instruction in excess of the amount authorized by paragraph (1)
6 of subdivision (e) is subject to the determination for funding
7 requirement of Section 47634.2 to receive funding each time its
8 charter is renewed or materially revised pursuant to Section 47607.
9 A charter school that materially revises its charter to offer
10 ~~nonclassroom-based~~ *flex-based* instruction in excess of the amount
11 authorized by paragraph (1) of subdivision (e) is subject to the
12 determination for funding requirement of Section 47634.2.

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

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

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

37 ~~(3)~~
38 (4) For purposes of this part, ~~a schoolsite is~~ *“schoolsites” means*
39 *a facility that is used principally for classroom instruction.*

40 ~~(4)~~

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

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

6 47612.7. (a) Notwithstanding any other law and except as
7 provided in subdivision (b), from January 1, 2020, to January 1,
8 2026, inclusive, the approval of a petition for the establishment of
9 a new *flex-based* charter school, as defined in paragraph-(2) (3) of
10 subdivision (e) of Section 47612.5, is prohibited.

11 (b) Subdivision (a) shall not apply to a ~~nonclassroom-based~~
12 *flex-based* charter school that was granted approval of its petition
13 and providing educational services to pupils before October 1,
14 2019, under either of the following circumstances:

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

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

30 (3) A *flex-based* charter school authorized by a different
31 chartering authority pursuant to paragraphs (1) and (2) shall be
32 regarded by the department as a continuing charter school for all
33 purposes to the extent it does not conflict with federal law. In order
34 to prevent any potential conflict with federal law, this paragraph
35 does not apply to covered programs as identified in Section
36 8101(11) of the federal Elementary and Secondary Education Act
37 of 1965 (20 U.S.C. Sec. 7801) to the extent the affected charter
38 school is the restructured portion of a divided charter school
39 pursuant to Section 47654.

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

3 ~~(d) (1) No later than October 1, 2023, the Legislative Analyst~~
4 ~~and the County Office Fiscal Crisis and Management Assistance~~
5 ~~Team shall study the processes used to determine funding for~~
6 ~~nonclassroom-based charter schools.~~

7 ~~(2) The study shall identify and make recommendations on~~
8 ~~potential improvements to the processes, including~~
9 ~~recommendations for enhancing oversight and reducing fraud,~~
10 ~~waste, and abuse.~~

11 ~~(3) No later than March 1, 2024, the Legislative Analyst and~~
12 ~~the County Office Fiscal Crisis and Management Assistance Team~~
13 ~~shall report to the appropriate fiscal and policy committees of the~~
14 ~~Legislature, the Department of Finance, the department, and the~~
15 ~~executive director of the state board on recommendations and~~
16 ~~observations as a result of the study. These recommendations or~~
17 ~~observations shall consider the fiscal impact on the state.~~

18 (e)

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

21 *SEC. 17. Section 47613 of the Education Code is amended to*
22 *read:*

23 47613. (a) Except as set forth in subdivision (b), a chartering
24 authority may charge for the actual costs of supervisory oversight
25 of a charter school not to exceed 1 percent of the revenue of the
26 charter school.

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

31 (c) A local educational agency that is given the responsibility
32 for supervisory oversight of a charter school, pursuant to
33 paragraph (1) of subdivision (k) of Section 47605, may charge for
34 the actual costs of supervisory oversight, and administrative costs
35 necessary to secure charter school funding. A charter school that
36 is charged for costs under this subdivision may not be charged
37 pursuant to subdivision (a) or (b).

38 (d) This section does not prevent the charter school from
39 separately purchasing administrative or other services from the
40 chartering authority or any other source.

1 (e) *On or before October 1, 2027, the Legislative Analyst’s*
2 *Office shall do both of the following:*

3 (1) (A) *Study the processes used by other states to authorize,*
4 *fund oversight, monitor, and renew charter schools.*

5 (B) *The study shall identify and include recommendations on*
6 *potential amendments to this part that would do all of the*
7 *following:*

8 (i) *Reduce conflicts of interest.*

9 (ii) *Establish clear and fair authorizing criteria and processes.*

10 (iii) *Establish cost-effective and transparent oversight funding.*

11 (iv) *Minimize unnecessarily burdensome authorizing practices.*

12 (v) *Prevent false claims and misappropriation of public funds.*

13 (2) *Convene an advisory group of experts on charter school*
14 *operations and charter authorizing to advise the Legislative*
15 *Analyst’s Office on carrying out the study specified in paragraph*
16 *(1).*

17 ~~(e)~~

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

21 ~~(f)~~

22 (g) *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)~~

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

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

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

37 (b) (1) *Commencing with the 2017–18 fiscal year, and subject*
38 *to available funding in the annual Budget Act, eligible charter*
39 *schools shall receive an amount equivalent to one of the following,*
40 *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 ~~nonclassroom-based~~ *flex-based* instruction as defined by paragraph
32 (2) of subdivision (e) of Section 47612.5 or that does not comply
33 with conditions or limitations set forth in regulations adopted by
34 the state board 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 Web site~~, *internet website*, regarding
21 the use of funds that have been made available during the fiscal
22 year to each charter 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 ~~nonclassroom-based~~ *flex-based* instruction. The evaluation
15 shall also examine the effectiveness of the ~~State Board of~~
16 ~~Education's~~ *state board's* process, as provided for in Sections
17 47612.5 and 47634.2, for approving funding for charter schools
18 offering ~~nonclassroom-based~~ *flex-based* instruction.

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

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

1 expended on certificated employee salaries and benefits and on
2 schoolsites, as defined in paragraph ~~(3)~~ (4) of subdivision ~~(d)~~ (e)
3 of Section 47612.5, and the teacher-to-pupil ratio in the school.

4 ~~(2) For the 2001-02 fiscal year only, the amount of funding~~
5 ~~determined by the State Board of Education pursuant to this section~~
6 ~~shall not be less than 90 percent of the unadjusted amount to which~~
7 ~~a charter school would otherwise be entitled on the basis of average~~
8 ~~daily attendance.~~

9 ~~(3) For the 2002-03 fiscal year, the amount of funding~~
10 ~~determined by the State Board of Education pursuant to this section~~
11 ~~shall not be more than 80 percent of the unadjusted amount to~~
12 ~~which a charter school would otherwise be entitled, unless the~~
13 ~~State Board of Education determines that a greater or lesser amount~~
14 ~~is appropriate based on the criteria specified in paragraph (1) of~~
15 ~~subdivision (a).~~

16 ~~(4) For the 2003-04 fiscal year and each fiscal year thereafter,~~
17 ~~the amount of funding determined by the State Board of Education~~
18 ~~pursuant to this section shall not be more than 70 percent of the~~
19 ~~unadjusted amount to which a charter school would otherwise be~~
20 ~~entitled, unless the State Board of Education determines that a~~
21 ~~greater or lesser amount is appropriate based on the criteria~~
22 ~~specified in paragraph (1) of subdivision (a).~~

23 ~~(5)~~

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

30 ~~(b) (1) The State Board of Education~~ *state board* shall appoint
31 an advisory committee to recommend criteria to the board in
32 accordance with this section if it has not done so by the effective
33 date of the act adding this section. The advisory committee shall
34 include, but is not limited to, representatives from school district
35 superintendents, charter schools, teachers, parents, members of
36 the governing boards of school districts, county superintendents
37 of schools, and the ~~Superintendent of Public Instruction.~~
38 *Superintendent.*

39 ~~(2) If a charter school submits a substantially complete request~~
40 ~~for a determination for funding by February 13, 2002, and the State~~

1 Board of Education does not act on that request by March 19, 2002,
2 full funding is automatically granted for the 2001–02 fiscal year;
3 but the charter school shall reapply for a determination for funding
4 for the 2002–03 fiscal year.

5 (3)

6 (2) The determination for funding shall be on a percentage basis
7 and the ~~superintendent~~ *Superintendent* shall implement the
8 determination for funding by reducing the charter school's reported
9 average daily attendance by the determination for funding
10 percentage specified by the ~~State Board of Education~~ *state board*.

11 (4)

12 (3) If the ~~State Board of Education~~ *state board* denies request
13 for a determination for funding or provides a reduction as
14 authorized by subdivision (a), the board shall, in writing, give the
15 reasons for its denial or reduction and, if appropriate, may describe
16 how any deficiencies or problems may be addressed.

17 (c) Each charter school offering ~~nonclassroom-based~~ *flex-based*
18 instruction shall, in each report provided to the Superintendent of
19 Public Instruction for apportionment purposes, identify the portion
20 of its average daily attendance that is generated through
21 ~~nonclassroom-based~~ *flex-based* instruction as defined in paragraph
22 (2) of subdivision ~~(d)~~ *(e)* of Section 47612.5.

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

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

31 (1) *Assess whether data submitted by a charter school is*
32 *consistent with its annual independent financial audit for the year*
33 *of the funding determination, if available. If the information in the*
34 *funding determination form is not consistent with the information*
35 *reported in its annual independent financial audit, charter schools*
36 *shall provide clarification and backup documents along with their*
37 *form.*

38 (2) *Whenever feasible, the funding determination process relies*
39 *on data that is available to the department through audits or other*
40 *data reported by the charter school's audited data and the*

1 *department avoids requesting duplicate information from a charter*
2 *school when audited data is available.*

3 *(3) A charter school may exclude unspent one-time revenues*
4 *that are permitted to be spent over multiple fiscal years from the*
5 *calculations of the percentage of school revenues spent on*
6 *certificated salaries and benefits and the percentage of school*
7 *revenues spent on instruction and related services if the charter*
8 *school recognizes these revenues and expenditures in the year the*
9 *funds are actually spent.*

10 *(4) A charter school may count as instructional related expenses*
11 *any funds spent on resource centers or site-based instructional*
12 *facilities used primarily for purposes of in-person instruction and*
13 *pupil support services, including, but not limited to, tutoring,*
14 *counseling, special education services, libraries, and performing*
15 *arts facilities.*

16 *(5) A charter school shall report the amount and classification*
17 *of its reserves on funding determination forms consistent with state*
18 *accounting categories of assigned, unassigned, restricted,*
19 *committed, and nonspendable.*

20 *(6) A charter school may exclude from their revenue any net*
21 *increase to their reserve for economic uncertainties, if the charter*
22 *school has an unassigned fund balance that represents less than*
23 *10 percent of their annual expenditures.*

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

28 *(8) For a charter school whose unassigned balances are less*
29 *than 5 percent of annual expenditures, the department shall notify*
30 *the chartering authority of the charter school to verify that the*
31 *charter school has sufficient reserves to address economic*
32 *uncertainties.*

33 *(9) A charter school's funding is reduced only in cases of*
34 *demonstrable financial abuses, profiteering, or grossly excessive*
35 *administrative expenses.*

36 *SEC. 21. Section 51744 of the Education Code is amended to*
37 *read:*

38 *51744. (a) The Legislature finds and declares that by offering*
39 *a range of quality educational options, including classroom-based,*
40 *nonclassroom-based, hybrid, and ~~nonclassroom-based~~ flex-based*

1 programs, local educational agencies can better tailor instruction
2 to pupils, thereby improving academic outcomes while maximizing
3 enrollment.

4 (b) It is the intent of the Legislature that local educational
5 agencies offer educational programs that best serve the needs of
6 their pupils.

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

12 *SEC. 22. Section 51745.6 of the Education Code is amended*
13 *to read:*

14 51745.6. (a) (1) The ratio of average daily attendance for
15 independent study pupils 18 years of age or less to school district
16 full-time equivalent certificated employees responsible for
17 independent study, calculated as specified by the department, shall
18 not exceed the equivalent ratio of average daily attendance to
19 full-time equivalent certificated employees providing instruction
20 in other educational programs operated by the school district,
21 unless a new higher or lower average daily attendance ratio for all
22 other educational programs offered is negotiated in a collective
23 bargaining agreement or a memorandum of understanding is
24 entered into that indicates an existing collective bargaining
25 agreement contains an alternative average daily attendance ratio.

26 (2) The ratio of average daily attendance for independent study
27 pupils 18 years of age or less to county office of education full-time
28 equivalent certificated employees responsible for independent
29 study, to be calculated in a manner prescribed by the department,
30 shall not exceed the equivalent prior year ratio of average daily
31 attendance to full-time equivalent certificated employees for all
32 other educational programs operated by the high school or unified
33 school district with the largest average daily attendance of pupils
34 in that county or the collectively bargained alternative ratio used
35 by that high school or unified school district in the prior year,
36 unless a new higher or lower average daily attendance ratio for all
37 other educational programs offered is negotiated in a collective
38 bargaining agreement or a memorandum of understanding is
39 entered into that indicates an existing collective bargaining
40 agreement contains an alternative average daily attendance ratio.

1 The computation of the ratios shall be performed annually by the
2 reporting agency at the time of, and in connection with, the second
3 principal apportionment report to the Superintendent.

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

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

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

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

30 (d) T h e a p p l i c a b l e
31 average-daily-attendance-to-certificated-employee ratios described
32 in subdivision (a) may, in a charter school, be calculated by using
33 (1) a fixed average-daily-attendance-to-certificated-employee ratio
34 of 25 to 1, ~~or by using~~ (2) a ratio of less than 25 pupils per
35 certificated-~~employee~~; *employee, or (3) the equivalent ratio of*
36 *pupils to full-time certificated employees for all other educational*
37 *programs operated by the largest unified school district, as*
38 *measured by average daily attendance, as reported at the second*
39 *principal apportionment in the year before, in the county or*
40 *counties in which the charter school operates. The largest unified*

1 *school district in each county shall make its ratio data available*
2 *upon request.* A new higher or lower ratio for all other educational
3 programs offered by a charter school may be negotiated in a
4 collective bargaining agreement, or a memorandum of
5 understanding indicating that an existing collective bargaining
6 agreement contains an alternative average daily attendance ratio
7 may be entered into by a charter school. All charter school pupils,
8 regardless of age, shall be included in the applicable
9 average-daily-attendance-to-certificated-employee ratio
10 calculations.

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

16 *SEC. 23. Section 51747 of the Education Code is amended to*
17 *read:*

18 51747. A local educational agency shall not be eligible to
19 receive apportionments for independent study by pupils, regardless
20 of age, unless it has adopted written policies, and has implemented
21 those policies, pursuant to rules and regulations adopted by the
22 Superintendent, that include, but are not limited to, all of the
23 following:

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

28 (b) (1) The level of satisfactory educational progress and the
29 number of missed assignments that will be allowed before an
30 evaluation is conducted to determine whether it is in the best
31 interests of the pupil to remain in independent study, or whether
32 the pupil should return to the regular school program. A written
33 record of the findings of any evaluation made pursuant to this
34 subdivision shall be treated as a mandatory interim pupil record.
35 The record shall be maintained for a period of three years from
36 the date of the evaluation and, if the pupil transfers to another
37 California public school, the record shall be forwarded to that
38 school.

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

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

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

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

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

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

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

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

32 (2) Notification to parents or guardians of lack of participation
33 within ~~one-school-day~~ *school day* of the recording of a
34 nonattendance day or lack of participation.

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

37 (4) A clear standard for requiring a pupil-parent-educator
38 conference to review a pupil's written agreement, and reconsider
39 the independent study program's impact on the pupil's achievement

1 and well-being, consistent with the policies adopted pursuant to
2 paragraph (4) of subdivision (g).

3 (e) (1) For pupils in transitional kindergarten and grades 1 to
4 3, inclusive, a plan to provide opportunities for daily synchronous
5 instruction for all pupils throughout the school year.

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

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

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

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

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

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

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

29 (4) A statement of the policies adopted pursuant to subdivisions
30 (a) and (b) regarding the maximum length of time allowed between
31 the assignment and the completion of a pupil's assigned work, the
32 level of satisfactory educational progress, and the number of missed
33 assignments allowed before an evaluation of whether or not the
34 pupil should be allowed to continue in independent study.

35 (5) The duration of the independent study agreement, including
36 the beginning and ending dates for the pupil's participation in
37 independent study under the agreement. No independent study
38 agreement shall be valid for any period longer than one school
39 year.

1 (6) A statement of the number of course credits or, for the
2 elementary grades, other measures of academic accomplishment
3 appropriate to the agreement, to be earned by the pupil upon
4 completion.

5 (7) A statement detailing the academic and other supports that
6 will be provided to address the needs of pupils who are not
7 performing at grade level, or need support in other areas, such as
8 English learners, individuals with exceptional needs in order to be
9 consistent with the pupil's individualized education program or
10 plan pursuant to Section 504 of the federal Rehabilitation Act of
11 1973 (29 U.S.C. Sec. 794), pupils in foster care or experiencing
12 homelessness, and pupils requiring mental health supports.

13 (8) The inclusion of a statement in each independent study
14 agreement that independent study is an optional educational
15 alternative in which no pupil may be required to participate. In the
16 case of a pupil who is referred or assigned to any school, class, or
17 program pursuant to Section 48915 or 48917, the agreement also
18 shall include the statement that instruction may be provided to the
19 pupil through independent study only if the pupil is offered the
20 alternative of classroom instruction.

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

30 (ii) For a pupil participating in an independent study program
31 that is scheduled for 15 schooldays or fewer, each written
32 agreement shall be signed, during the school year in which the
33 independent study program takes place, by the pupil, the pupil's
34 parent, legal guardian, or caregiver, if the pupil is less than 18
35 years of age, the certificated employee who has been designated
36 as having responsibility for the general supervision of independent
37 study, and the certificated employee designated as having
38 responsibility for the special education programming of the pupil,
39 as applicable. The written agreement may be signed at any time
40 during the school year, but it is the intent of the Legislature that

1 parents or guardians of pupils be provided the agreement at or
2 before the beginning of the school year.

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

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

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

15 (D) Either an original document or an electronic file of the
16 original document is allowable documentation for auditing
17 purposes.

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

29 (F) Notwithstanding subparagraph (A), for the 2021–22 school
30 year only, a local educational agency shall obtain a signed written
31 agreement for an independent study program of any length of time
32 from the pupil, or the pupil’s parent or legal guardian if the pupil
33 is less than 18 years of age, the certificated employee who has
34 been designated as having responsibility for the general supervision
35 of independent study, and the certificated employee designated as
36 having responsibility for the special education programming of
37 the pupil, as applicable, no later than 30 days after the first day of
38 instruction in an independent study program or October 15,
39 whichever date comes later. This subparagraph does not relieve a
40 local educational agency from the obligation to comply with the

1 requirements of this article, as amended by the act adding this
2 subparagraph, upon commencement of instruction for a
3 participating pupil in the 2021–22 school year.

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

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

33 (i) Subdivisions (d), (e), and (f) shall not apply to pupils that
34 participate in an independent study program for fewer than 16
35 schooldays in a school year and pupils enrolled in a comprehensive
36 school for classroom-based instruction who, under the care of
37 appropriately licensed professionals, participate in independent
38 study due to necessary medical treatments or inpatient treatment
39 for mental health care or substance abuse. Local educational
40 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~~ *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 offering independent study to pupils whose parents or guardians have requested independent study pursuant to subdivision (a) of Section 51745.

(k) Commencing with the 2021–22 fiscal year Guide for Annual Audits of K–12 Local Education Agencies and State Compliance Reporting, the Controller shall incorporate verification of the adoption of the policies required pursuant to this section, including loss of apportionment for independent study for local educational

1 agencies found to be noncompliant, unless compliance verification
2 for those policies is already included in the audit guide.

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

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

9
10 *Article 11. Audit Provisions*

11
12 51820. The Controller shall include the instructions necessary
13 in the audit guide required by Section 14502.1 to include average
14 daily attendance materiality levels for compliance testing in
15 accordance with Generally Accepted Auditing Standards.

16 51821. (a) The Controller shall include the instructions
17 necessary in the audit guide required by Section 14502.1 to do
18 both of the following:

19 (1) Include a procedure to determine if the local educational
20 agency has a relationship with a related entity with financial,
21 economic, or controlling membership interests. If the local
22 educational agency is determined to have a relationship with a
23 related party, require the auditor to evaluate the level of the
24 relationship to determine if it is material. For material
25 relationships, require the audit guide to ensure compliance of the
26 related party to disclosure rules of the Financial Accounting
27 Standards Board Accounting Standards Codification and other
28 generally accepted accounting principles.

29 (2) Ensure the local educational agency complies with
30 constraints regarding when financial statement consolidation is
31 required, permitted, and prohibited.

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

35 51822. Notwithstanding any other law, beginning in the
36 2027–28 fiscal year, for one or more charter schools consolidated
37 within a school district or a county office of education, the
38 chartering authority's accounts and annual audit shall separately
39 track and report financial data for each charter school.

1 51823. *The Controller shall include the instructions necessary*
2 *in the audit guide required by Section 14502.1 to require a*
3 *schedule of pupil enrollment and attendance that includes pupil*
4 *enrollment and attendance by month and track, if applicable.*

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

8
9 *Article 11.5. Educational Enrichment Activities*
10

11 51827. (a) *A local educational agency may only enter into an*
12 *agreement for the provision or arrangement of educational*
13 *enrichment activities with a vendor that is vetted and approved*
14 *pursuant to subdivisions (b) and (c). A local educational agency*
15 *may expend public funds for the provision or arrangement of*
16 *educational enrichment activities, provided that all educational*
17 *enrichment activities, materials, and programs shall be*
18 *nonsectarian.*

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

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

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

28 (3) *Require all vendor personnel interacting with pupils,*
29 *unsupervised by a parent or school employee, to have a valid*
30 *criminal records summary as described in Section 45125.1, and*
31 *require that if the vendor performs the criminal background check,*
32 *it shall immediately provide subsequent arrest and conviction*
33 *information it receives to the local educational agency pursuant*
34 *to the subsequent arrest service.*

35 (4) *Require all vendors to have policies and procedures related*
36 *to pupil and site safety, including in virtual settings, emergency*
37 *response, and accident reporting that are reasonable for the*
38 *instruction or activity.*

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

1 (6) *Prohibit the local educational agency from paying any*
2 *vendor for educational enrichment activities before approval.*

3 (c) *Any vendor contract that will exceed one hundred thousand*
4 *dollars (\$100,000) in a fiscal year shall be approved by the*
5 *governing board or body of the local educational agency in an*
6 *open public meeting.*

7 (d) *Auditing of the approval of, and compliance with, policies*
8 *enacted in accordance with subdivisions (b) and (c) shall be*
9 *included in the audit guide, Standards and Procedures for Audits*
10 *of California K–12 Local Educational Agencies, described in*
11 *Section 14502.1.*

12 (e) *Any educational enrichment activity provided by a school*
13 *shall be approved and verified by the pupil's assigned teacher as*
14 *relevant to specific educational assignments and educationally*
15 *appropriate for the pupil.*

16 (f) *Notwithstanding any other law, a vendor providing services*
17 *pursuant to this article shall provide the initial criminal*
18 *background check report before commencing services and*
19 *immediately provide any subsequent arrest and conviction*
20 *information to the local educational agency upon receipt.*

21 (g) *For purposes of this section, "local educational agency"*
22 *means a county office of education, school district, or charter*
23 *school.*

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

25 SEC. 26. *Section 811.2 of the Government Code is amended*
26 *to read:*

27 811.2. "Public entity" includes the state, the Regents of the
28 University of California, the Trustees of the California State
29 University and the California State University, a county, city,
30 district, public authority, public agency, *charter school*, and any
31 other political subdivision or public corporation in the State.

32 SEC. 27. *If the Commission on State Mandates determines that*
33 *this act contains costs mandated by the state, reimbursement to*
34 *local agencies and school districts for those costs shall be made*
35 *pursuant to Part 7 (commencing with Section 17500) of Division*
36 *4 of Title 2 of the Government Code.*

37 ~~SECTION 1. Section 1 of the Education Code is amended to~~
38 ~~read:~~

- 1 1. ~~This code shall be known, and may be cited, as the Education~~
- 2 Code.

O