

AMENDED IN SENATE MAY 1, 2025
AMENDED IN SENATE MARCH 26, 2025

SENATE BILL

No. 414

Introduced by Senator Ashby

February 14, 2025

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

LEGISLATIVE COUNSEL'S DIGEST

SB 414, as amended, Ashby. School accountability: school financial and performance audits: chartering authorities: tort liability: educational enrichment 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.

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

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

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

1 the statements and other information to be included in the audit
2 reports filed with the state, and shall propose the content of an
3 audit guide to carry out the purposes of this chapter. A supplement
4 to the audit guide may be suggested in the audit year, following
5 the above process, to address issues resulting from new legislation
6 in that year that changes the conditions of apportionment. The
7 proposed content of the audit guide and any supplement to the
8 audit guide shall be submitted by the Controller to the Education
9 Audit Appeals Panel for review and possible amendment.

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

1 Controller shall provide for the adoption of procedures and
2 timetables for the development of the suggested audit guide, any
3 supplement, and the format for additions, deletions, and revisions.

4 (c) For the audit of school districts or county offices of education
5 electing to take formal action pursuant to Sections 22714 and
6 44929, the audit guide content proposed by the Controller shall
7 include, but not be limited to, the following:

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

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

11 (3) A comparison of the salary and benefits of each retiree
12 receiving the additional service credit with the salary and benefits
13 of the replacement employee, if any.

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

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

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

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

33 SEC. 2. Section 41020 of the Education Code is amended to
34 read:

35 41020. (a) It is the intent of the Legislature to encourage sound
36 fiscal management practices among local educational agencies for
37 the most efficient and effective use of public funds for the
38 education of children in California by strengthening fiscal
39 accountability at the school district, county, and state levels.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

21 (B) A summary of audit exceptions and management
22 improvement recommendations.

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

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

38 (h) (1) Not later than December 15, a report of each local
39 educational agency audit for the preceding fiscal year shall be filed
40 with the county superintendent of schools of the county in which

1 the local educational agency is located, the department, and the
2 Controller. The Superintendent shall make any adjustments
3 necessary in future apportionments of all state funds to correct any
4 audit exceptions revealed by those audit reports.

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

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

10 (i) (1) Commencing with the 2002–03 audit of local educational
11 agencies pursuant to this section and subdivision (d) of Section
12 41320.1, each county superintendent of schools shall be responsible
13 for reviewing the audit exceptions contained in an audit of a local
14 educational agency under their jurisdiction related to attendance,
15 inventory of equipment, internal control, and any miscellaneous
16 items, and determining whether the exceptions have been either
17 corrected or an acceptable plan of correction has been developed.

18 (2) Commencing with the 2004–05 audit of local educational
19 agencies pursuant to this section and subdivision (d) of Section
20 41320.1, each county superintendent of schools shall include in
21 the review of audit exceptions performed pursuant to this
22 subdivision those audit exceptions related to use of instructional
23 materials program funds, teacher misassignments pursuant to
24 Section 44258.9, and information reported on the school
25 accountability report card required pursuant to Section 33126, and
26 shall determine whether the exceptions are either corrected or an
27 acceptable plan of correction has been developed.

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

33 (1) Review audit exceptions related to attendance, inventory of
34 equipment, internal control, and other miscellaneous exceptions.
35 Attendance exceptions or issues shall include, but not be limited
36 to, those related to local control funding formula allocations
37 pursuant to Section 42238.02, as implemented by Section 42238.03,
38 and independent study.

39 (2) (A) If a description of the correction or plan of correction
40 has not been provided as part of the audit required by this section,

1 the county superintendent of schools shall notify the local
2 educational agency and request the governing board of the local
3 educational agency to provide to the county superintendent of
4 schools a description of the corrections or plan of correction by
5 March 15.

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

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

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

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

32 (l) In the audit of a local educational agency for a subsequent
33 year, the auditor shall review the correction or plan or plans of
34 correction submitted by the local educational agency to determine
35 if the exceptions have been resolved. If an exception has not been
36 resolved, the auditor shall immediately notify the appropriate
37 county office of education and the department and restate the
38 exception in the audit report. After receiving that notification, the
39 department shall either consult with the local educational agency

1 to resolve the exception or require the county superintendent of
2 schools to follow up with the local educational agency.

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

6 (A) All federal and state compliance audit exceptions identified
7 in the audit.

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

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

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

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

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

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

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

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

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

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

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

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

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

41020.5. (a) (1) If the Controller determines by two consecutive quality control reviews pursuant to Section 14504.2, or if a county superintendent of schools determines, that audits performed by a certified public accountant or public accountant under Section 41020 or 41020.6 were not performed in substantial conformity with provisions of the audit guide, or that the audit

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

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

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

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

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

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

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

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

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

6 41020.6. (a) An auditor, when performing an audit described
7 in Section 41020, subparagraph (I) of paragraph (5) of subdivision
8 (c) of Section 47605, or subparagraph (I) of paragraph (5) of
9 subdivision (b) of Section 47605.6, shall do all of the following:

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

12 (2) Identify in the audit report any transfers of funds or assets
13 to other individuals or organizations that exceed one million dollars
14 (\$1,000,000) or 10 percent of the local educational agency's
15 budget, whichever is less, together with a written explanation from
16 the local educational agency regarding the school purpose for each
17 of those expenditures.

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

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

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

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

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

37 42238.024. (a) Commencing with the 2023–24 fiscal year, the
38 sum of three hundred million dollars (\$300,000,000) is hereby
39 appropriated each fiscal year from the General Fund to the
40 Superintendent for allocation for the Local Control Funding

1 Formula Equity Multiplier apportionment in the manner and for
2 the purposes set forth in this section. Commencing with the
3 2024–25 fiscal year, the amount appropriated pursuant to this
4 subdivision shall be adjusted each fiscal year by the percentage
5 change applied pursuant to paragraph (2) of subdivision (d) of
6 Section 42238.02 for that fiscal year.

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

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

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

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

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

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

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

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

13 (1) “Eligible local educational agency” means a school district,
14 county office of education, or charter school that generates a local
15 control funding formula entitlement pursuant to Sections 2574,
16 2575, or 42238.02, excluding a charter school classified as a
17 flex-based charter school as of the prior fiscal year’s second
18 principal apportionment certification pursuant to Section 47612.5.

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

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

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

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

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

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

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

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

5 (E) The pupil is a foster youth.

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

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

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

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

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

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

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

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

31 (e) For purposes of making the computations required by Section
32 8 of Article XVI of the California Constitution, the appropriations
33 made by subdivision (a) shall be deemed to be “General Fund
34 revenues appropriated for school districts,” as defined in
35 subdivision (c) of Section 41202, for the fiscal year for which the
36 appropriation is made, and included within the “total allocations
37 to school districts and community college districts from General
38 Fund proceeds of taxes appropriated pursuant to Article XIII B,”
39 as defined in subdivision (e) of Section 41202, for the fiscal year
40 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

1 law. For the purposes of Section 2001(f)(1) of the federal American
2 Rescue Plan Act of 2021 (Public Law 117-2), this constitutes the
3 state's reserve of funds to carry out activities to address learning
4 loss.

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

10 (1) A local educational agency shall receive one thousand dollars
11 (\$1,000) per homeless pupil enrolled in the 2020–21 fiscal year
12 as reported in the California Longitudinal Pupil Achievement Data
13 System as of the 2020–21 Fall 1 Submission.

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

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

31 (B) Consistent with Section 2576, a county office of education's
32 local control funding formula entitlement for purposes of
33 subparagraph (A) shall include funding that the Superintendent
34 transferred to the county where a pupil is enrolled, equal to the
35 amount calculated for the school district of residence pursuant to
36 Section 42238.02 for each unit of average daily attendance credited
37 to the school district of residence as of the 2020–21 second
38 principal apportionment certification.

39 (c) (1) Of the amount appropriated from the General Fund
40 pursuant to subdivision (a), two billion dollars (\$2,000,000,000)

1 shall be apportioned to local educational agencies, excluding a
2 charter school classified as a nonclassroom-based charter school
3 as of the 2019–20 second principal apportionment certification
4 pursuant to Section 47612.5, as that section read on that date, based
5 on the apportionment methodology described in paragraph (3) of
6 subdivision (b).

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

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

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

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

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

32 (A) For a local educational agency in a county in the purple tier
33 pursuant to the State Department of Public Health's Blueprint for
34 a Safer Economy that is neither open nor eligible to open as defined
35 in the COVID-19 industry sector guidance for schools and
36 school-based programs, the local educational agency offers optional
37 in-person instruction pursuant to the State Department of Public
38 Health's Guidance Related to Cohorts to all pupils who are
39 individuals with exceptional needs, if consistent with each pupil's
40 individualized education program, and to all prioritized pupil

1 groups described in paragraph (4), unless the number of pupils in
2 the prioritized pupil groups seeking in-person instruction exceeds
3 the practical capacity of a local educational agency to maintain
4 health and safety pursuant to its COVID-19 safety plan, in which
5 case the local educational agency may limit the number of pupils
6 within the prioritized pupil groups that receive in-person instruction
7 to its maximum practical capacity.

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

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

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

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

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

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

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

- (A) Pupils at risk for abuse, neglect, or exploitation.
- (B) Homeless pupils.
- (C) Foster youth.
- (D) English learners.
- (E) Pupils without access to a computing device, software, and high-speed internet necessary to participate in online instruction, as determined by the local educational agency.

(F) Disengaged pupils.

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

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

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

(d) A local educational agency receiving funds pursuant to this section shall comply with the requirements of Section 43503 for all pupils participating in distance learning, instructional time

1 requirements pursuant to Section 43501 for the 2020–21 school
2 year, and applicable instructional day requirements pursuant to
3 Chapter 2 (commencing with Section 46100) of Part 26 of Division
4 4 for the 2021–22 school year.

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

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

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

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

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

36 (g) Neither the funding conditions or other requirements
37 established in this chapter or Article 8 (commencing with Section
38 32090) of Chapter 1 of Part 19 of Division 1 of Title 1, nor the
39 issuance of any nonmandatory guidance by the State Department
40 of Public Health shall be construed as creating or establishing an

1 affirmative obligation for a local educational agency to revise its
2 completed COVID-19 safety plan that is publicly posted on its
3 internet website on or before March 31, 2021.

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

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

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

22 (2) For purposes of making the computations required by Section
23 8 of Article XVI of the California Constitution, of the amount
24 appropriated from the General Fund in subdivision (a), three billion
25 one hundred seventy-six million one hundred eighty-two thousand
26 dollars (\$3,176,182,000) shall be deemed to be “General Fund
27 revenues appropriated for school districts,” as defined in
28 subdivision (c) of Section 41202, for the 2020–21 fiscal year, and
29 included within the “total allocations to school districts and
30 community college districts from General Fund proceeds of taxes
31 appropriated pursuant to Article XIII B,” as defined in subdivision
32 (e) of Section 41202, for the 2020–21 fiscal year.

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

35 46211. (a) Beginning July 1, 2025, to address the educational
36 and fiscal impacts of pupil absences, a local educational agency
37 may implement attendance recovery programs for pupils to make
38 up lost instructional time and offset absences, including reducing
39 chronic absenteeism.

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

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

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

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

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

37 (3) Attendance accrued through participation in an attendance
38 recovery program shall be tracked and reported to the department
39 by local educational agencies separately from average daily

1 attendance generated during the schoolday in classroom-based
2 programs.

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

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

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

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

38 (f) As a condition of generating average daily attendance, an
39 attendance recovery program shall be composed of pupils engaged
40 in educational activities and content aligned to grade level

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

7 47604.1. (a) For purposes of this section, an “entity managing
8 a charter school” means a nonprofit public benefit corporation that
9 operates a charter school consistent with Section 47604. An entity
10 that is not authorized to operate a charter school pursuant to Section
11 47604 is not an “entity managing a charter school” solely because
12 it contracts with a charter school to provide to that charter school
13 goods or task-related services that are performed at the direction
14 of the governing body of the charter school and for which the
15 governing body retains ultimate decisionmaking authority.

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

18 (1) The Ralph M. Brown Act (Chapter 9 (commencing with
19 Section 54950) of Part 1 of Division 2 of Title 5 of the Government
20 Code), except that a charter school operated by an entity pursuant
21 to Chapter 5 (commencing with Section 47620) shall be subject
22 to the Bagley-Keene Open Meeting Act (Article 9 (commencing
23 with Section 11120) of Chapter 1 of Part 1 of Division 3 of Title
24 2 of the Government Code) regardless of the authorizing entity.

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

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

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

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

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

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

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

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

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

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

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

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

21 (3) (A) For a governing body of an entity managing one or
22 more charter schools located within the same county, the governing
23 body of the entity managing a charter school shall meet within the
24 physical boundaries of the county in which that charter school or
25 schools are located.

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

28 (4) (A) For a governing body of an entity that manages two or
29 more charter schools that are not located in the same county, the
30 governing body of the entity managing the charter schools shall
31 meet within the physical boundaries of the county in which the
32 greatest number of pupils enrolled in those charter schools managed
33 by that entity reside.

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

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

1 (5) This subdivision does not limit the authority of the governing
2 body of a charter school and an entity managing a charter school
3 to meet outside the boundaries described in this subdivision if
4 authorized by Section 54954 of the Government Code, and the
5 meeting place complies with Section 54961 of the Government
6 Code.

7 (d) Notwithstanding Article 4 (commencing with Section 1090)
8 of Chapter 1 of Division 4 of Title 1 of the Government Code, an
9 employee of a charter school shall not be disqualified from serving
10 as a member of the governing body of the charter school because
11 of that employee's employment status. A member of the governing
12 body of a charter school who is also an employee of the charter
13 school shall abstain from voting on, or influencing or attempting
14 to influence another member of the governing body regarding, all
15 matters uniquely affecting that member's employment.

16 (e) To the extent a governing body of a charter school or an
17 entity managing a charter school engages in activities that are
18 unrelated to a charter school, Article 4 (commencing with Section
19 1090) of Chapter 1 of Division 4 of Title 1 of the Government
20 Code, the Ralph M. Brown Act (Chapter 9 (commencing with
21 Section 54950) of Part 1 of Division 2 of Title 5 of the Government
22 Code), the Bagley-Keene Open Meeting Act (Article 9
23 (commencing with Section 11120) of Chapter 1 of Part 1 of
24 Division 3 of Title 2 of the Government Code), the California
25 Public Records Act (Division 10 (commencing with Section
26 7920.000) of Title 1 of the Government Code), and the Political
27 Reform Act of 1974 (Title 9 (commencing with Section 81000)
28 of the Government Code) shall not apply with regard to those
29 unrelated activities unless otherwise required by law.

30 (f) A meeting of the governing body of a charter school to
31 discuss items related to the operation of the charter school shall
32 not include the discussion of any item regarding an activity of the
33 governing body that is unrelated to the operation of the charter
34 school.

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

37 SEC. 10. Section 47604.3 of the Education Code is amended
38 to read:

39 47604.3. ~~(a)~~—A charter school and an entity managing a charter
40 school shall promptly respond to all reasonable inquiries, including,

1 but not limited to, inquiries regarding its respective financial
2 records and contracts, from its chartering authority, the county
3 office of education that has jurisdiction over the charter school's
4 chartering authority, or from the Superintendent and shall consult
5 with the chartering authority, the county office of education, or
6 the Superintendent regarding any inquiries.

7 ~~(b) Notwithstanding any other law or contract entered into by~~
8 ~~the charter school or an entity managing a charter school, a charter~~
9 ~~school or entity managing a charter school shall be immune from~~
10 ~~liability for violations of confidentiality agreements or violations~~
11 ~~of privacy rights of pupils and employees when disclosing records~~
12 ~~or information pursuant to a request from its chartering authority,~~
13 ~~the county office of education that has jurisdiction over the charter~~
14 ~~school's chartering authority, the Superintendent, or the~~
15 ~~Commission on Teacher Credentialing.~~

16 SEC. 11. Section 47604.32 of the Education Code is amended
17 to read:

18 47604.32. (a) Each chartering authority, in addition to any
19 other duties imposed by this part, shall do all of the following with
20 respect to each charter school under its authority:

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

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

24 (3) Ensure that each charter school under its authority complies
25 with all reports required of charter schools by law, including the
26 local control and accountability plan and annual update to the local
27 control and accountability plan required pursuant to Section
28 47606.5.

29 (4) Monitor the fiscal condition, including enrollment and
30 attendance data, and a review of a sample of credit and debit card
31 transactions of each charter school under its authority. The
32 chartering authority shall provide the governing body of the charter
33 school with feedback on any issues of concern identified in the
34 review and an opportunity to respond. If in the course of the review,
35 the chartering authority has reasonable suspicion that fraud,
36 misappropriations of public funds, embezzlement, or other financial
37 crimes may be occurring, the chartering authority shall notify the
38 department and the county office of education.

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

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

5 (B) The charter is revoked.

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

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

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

13 SEC. 12. Section 47604.5 of the Education Code is amended
14 to read:

15 47604.5. The state board, or the state board's designee, shall
16 promptly investigate allegations of false claims or misappropriation
17 of public funds by charter schools if there is probable cause to
18 believe that those crimes have occurred. The state board may,
19 based upon and in concurrence with the recommendation of the
20 Superintendent, take appropriate action, including, but not limited
21 to, revocation of the charter school's charter, when the state board
22 finds any of the following:

23 (a) Gross financial mismanagement that jeopardizes the financial
24 stability of the charter school.

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

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

31 (d) Failure to improve pupil outcomes across multiple state and
32 school priorities identified in the charter pursuant to subparagraph
33 (A) of paragraph (5) of subdivision (c) of Section 47605 or
34 subparagraph (A) of paragraph (5) of subdivision (b) of Section
35 47605.6.

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

38 SEC. 13. Section 47605 of the Education Code is amended to
39 read:

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

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

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

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

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

33 (4) After receiving approval of its petition, a charter school that
34 proposes to expand operations to one or more additional sites or
35 grade levels shall request a material revision to its charter and shall
36 notify the chartering authority of those additional locations or
37 grade levels. The chartering authority shall consider whether to
38 approve those additional locations or grade levels at an open, public
39 meeting. If the additional locations or grade levels are approved

1 pursuant to the standards and criteria described in subdivision (c),
2 they shall be a material revision to the charter school's charter.

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

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

12 (ii) Submit a request for the renewal of the charter petition
13 pursuant to Section 47607 to the school district in which the charter
14 school is located.

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

23 (C) Notwithstanding subparagraph (A), if a charter school was
24 relocated from December 31, 2016, to December 31, 2019,
25 inclusive, due to a Presidential declaration of a major disaster or
26 emergency in accordance with the federal Robert T. Stafford
27 Disaster Relief and Emergency Assistance Act (42 U.S.C. Sec.
28 5121 et seq.), that charter school shall be allowed to return to its
29 original campus location in perpetuity.

30 (D) (i) A charter school in operation and providing educational
31 services to pupils before October 1, 2019, located on a federally
32 recognized California Indian reservation or rancheria or operated
33 by a federally recognized California Indian tribe shall be exempt
34 from the geographic restrictions of paragraph (1) and subparagraph
35 (A) of this paragraph and the geographic restrictions of subdivision
36 (a) of Section 47605.1.

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

1 (E) The department shall regard as a continuing charter school
2 for all purposes a charter school that was granted approval of its
3 petition, that was providing educational services to pupils before
4 October 1, 2019, and is authorized by a different chartering
5 authority due to changes to this paragraph that took effect January
6 1, 2020. This paragraph shall be implemented only to the extent
7 it does not conflict with federal law. In order to prevent any
8 potential conflict with federal law, this paragraph does not apply
9 to covered programs as identified in Section 8101(11) of the federal
10 Elementary and Secondary Education Act of 1965 (20 U.S.C. Sec.
11 7801) to the extent the affected charter school is the restructured
12 portion of a divided charter school pursuant to Section 47654.

13 (6) Commencing January 1, 2003, a petition to establish a charter
14 school shall not be approved to serve pupils in a grade level that
15 is not served by the school district of the governing board
16 considering the petition, unless the petition proposes to serve pupils
17 in all of the grade levels served by that school district.

18 (b) No later than 60 days after receiving a petition, in accordance
19 with subdivision (a), the governing board of the school district
20 shall hold a public hearing on the provisions of the charter, at
21 which time the governing board of the school district shall consider
22 the level of support for the petition by teachers employed by the
23 school district, other employees of the school district, and parents.
24 Following review of the petition and the public hearing, the
25 governing board of the school district shall either grant or deny
26 the charter within 90 days of receipt of the petition, provided,
27 however, that the date may be extended by an additional 30 days
28 if both parties agree to the extension. A petition is deemed received
29 by the governing board of the school district for purposes of
30 commencing the timelines described in this subdivision on the day
31 the petitioner submits a petition to the district office, along with a
32 signed certification that the petitioner deems the petition to be
33 complete. The governing board of the school district shall publish
34 all staff recommendations, including the recommended findings
35 and, if applicable, the certification from the county superintendent
36 of schools prepared pursuant to paragraph (8) of subdivision (c),
37 regarding the petition at least 15 days before the public hearing at
38 which the governing board of the school district will either grant
39 or deny the charter. At the public hearing at which the governing
40 board of the school district will either grant or deny the charter,

1 petitioners shall have equivalent time and procedures to present
2 evidence and testimony to respond to the staff recommendations
3 and findings.

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

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

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

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

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

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

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

36 (ii) The annual goals for the charter school for all pupils and
37 for each subgroup of pupils identified pursuant to Section 52052,
38 to be achieved in the state priorities, as described in subdivision
39 (d) of Section 52060, that apply for the grade levels served, and
40 specific annual actions to achieve those goals. A charter petition

1 may identify additional school priorities, the goals for the school
2 priorities, and the specific annual actions to achieve those goals.

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

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

24 (C) The method by which pupil progress in meeting those pupil
25 outcomes is to be measured. To the extent practicable, the method
26 for measuring pupil outcomes for state priorities shall be consistent
27 with the way information is reported on a school accountability
28 report card.

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

32 (E) The qualifications to be met by individuals to be employed
33 by the charter school.

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

37 (i) That each employee of the charter school furnish the charter
38 school with a criminal record summary as described in Section
39 44237.

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

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

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

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

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

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

(i) For suspensions of fewer than 10 days, provide oral or written notice of the charges against the pupil and, if the pupil denies the charges, an explanation of the evidence that supports the charges

1 and an opportunity for the pupil to present the pupil's side of the
2 story.

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

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

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

12 (iii) Contain a clear statement that no pupil shall be involuntarily
13 removed by the charter school for any reason unless the parent or
14 guardian of the pupil has been provided written notice of intent to
15 remove the pupil no less than five schooldays before the effective
16 date of the action. The written notice shall be in the native language
17 of the pupil or the pupil's parent or guardian, or, if the pupil is a
18 homeless child or youth, or a foster child or youth, in the native
19 language of the homeless or foster child's educational rights holder.
20 In the case of a foster child or youth, the written notice shall also
21 be provided to the foster child's attorney and county social worker.
22 If the pupil is an Indian child, as defined in Section 224.1 of the
23 Welfare and Institutions Code, the written notice shall also be
24 provided to the Indian child's tribal social worker and, if applicable,
25 county social worker. The written notice shall inform the pupil,
26 the pupil's parent or guardian, the homeless child's educational
27 rights holder, the foster child's educational rights holder, attorney,
28 and county social worker, or the Indian child's tribal social worker
29 and, if applicable, county social worker of the right to initiate the
30 procedures specified in clause (ii) before the effective date of the
31 action. If the pupil's parent or guardian, the homeless child's
32 educational rights holder, the foster child's educational rights
33 holder, attorney, or county social worker, or the Indian child's
34 tribal social worker or, if applicable, county social worker initiates
35 the procedures specified in clause (ii), the pupil shall remain
36 enrolled and shall not be removed until the charter school issues
37 a final decision. For purposes of this clause, "involuntarily
38 removed" includes disenrolled, dismissed, transferred, or
39 terminated, but does not include suspensions specified in clauses
40 (i) and (ii).

1 (iv) A foster child's educational rights holder, attorney, and
2 county social worker and an Indian child's tribal social worker
3 and, if applicable, county social worker shall have the same rights
4 a parent or guardian of a child has to receive a suspension notice,
5 expulsion notice, manifestation determination notice, involuntary
6 transfer notice, and other documents and related information.

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

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

12 (M) The rights of an employee of the school district upon
13 leaving the employment of the school district to work in a charter
14 school, and of any rights of return to the school district after
15 employment at a charter school.

16 (N) The procedures to be followed by the charter school and
17 the chartering authority to resolve disputes relating to provisions
18 of the charter.

19 (O) The procedures to be used if the charter school closes. The
20 procedures shall ensure a final audit of the charter school to
21 determine the disposition of all assets and liabilities of the charter
22 school, including plans for disposing of any net assets and for the
23 maintenance and transfer of pupil records.

24 (6) The petition does not contain a declaration of whether or
25 not the charter school shall be deemed the exclusive public
26 employer of the employees of the charter school for purposes of
27 Chapter 10.7 (commencing with Section 3540) of Division 4 of
28 Title 1 of the Government Code.

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

35 (A) The extent to which the proposed charter school would
36 substantially undermine existing services, academic offerings, or
37 programmatic offerings.

38 (B) Whether the proposed charter school would duplicate a
39 program currently offered within the school district and the existing
40 program has sufficient capacity for the pupils proposed to be served

1 within reasonable proximity to where the charter school intends
2 to locate.

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

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

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

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

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

35 (B) If the number of pupils who wish to attend the charter school
36 exceeds the charter school's capacity, attendance, except for
37 existing pupils of the charter school, shall be determined by a
38 public random drawing. Preference shall be extended to pupils
39 currently attending the charter school and pupils who reside in the
40 school district except as provided for in Section 47614.5.

1 Preferences, including, but not limited to, siblings of pupils
2 admitted or attending the charter school and children of the charter
3 school's teachers, staff, and founders identified in the initial charter,
4 may also be permitted by the chartering authority on an individual
5 charter school basis. Priority order for any preference shall be
6 determined in the charter petition in accordance with all of the
7 following:

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

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

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

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

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

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

38 (4) (A) A charter school shall not discourage a pupil from
39 enrolling or seeking to enroll in the charter school for any reason,
40 including, but not limited to, academic performance of the pupil

1 or because the pupil exhibits any of the characteristics described
2 in clause (iii) of subparagraph (B) of paragraph (2).

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

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

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

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

21 (ii) Before conducting an enrollment lottery.

22 (iii) Before disenrollment of a pupil.

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

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

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

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

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

36 (h) The governing board of a school district shall require that
37 the petitioner or petitioners provide information regarding the
38 proposed operation and potential effects of the charter school,
39 including, but not limited to, the facilities to be used by the charter
40 school, the manner in which administrative services of the charter

1 school are to be provided, and potential civil liability effects, if
2 any, upon the charter school and upon the school district. The
3 description of the facilities to be used by the charter school shall
4 specify where the charter school intends to locate. The petitioner
5 or petitioners also shall be required to provide financial statements
6 that include a proposed first-year operational budget, including
7 startup costs, and cashflow and financial projections for the first
8 three years of operation. If the school is to be operated by, or as,
9 a nonprofit public benefit corporation, the petitioner shall provide
10 the names and relevant qualifications of all persons whom the
11 petitioner nominates to serve on the governing body of the charter
12 school.

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

20 (j) Upon the approval of the petition by the governing board of
21 the school district, the petitioner or petitioners shall provide written
22 notice of that approval, including a copy of the petition, to the
23 applicable county superintendent of schools, the department, and
24 the state board.

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

1 petition for the establishment of a charter school to the county
2 board of education.

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

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

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

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

28 (A) The petitioner shall submit the petition to the state board
29 within 30 days of a denial by the county board of education. The
30 petitioner shall include the findings and documentary record from
31 the governing board of the school district and the county board of
32 education and a written submission detailing, with specific citations
33 to the documentary record, how the governing board of the school
34 district and the county board of education abused their discretion.
35 The governing board of the school district and county board of
36 education shall prepare the documentary record, including
37 transcripts of the public hearing at which the governing board of
38 the school district and county board of education denied the charter,
39 at the request of the petitioner. The documentary record shall be
40 prepared by the governing board of the school district and county

1 board of education no later than 10 business days after the request
2 of the petitioner is made. At the same time the petition and
3 supporting documentation is submitted to the state board, the
4 petitioner shall also provide a copy of the petition and supporting
5 documentation to the school district and the county board of
6 education.

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

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

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

36 (E) The state board shall either hear the appeal or summarily
37 deny review of the appeal based on the documentary record. If the
38 state board hears the appeal, the state board may affirm the
39 determination of the governing board of the school district or the
40 county board of education, or both of those determinations, or may

1 reverse only upon a determination that there was an abuse of
2 discretion by each of the governing board of the school district
3 and the county board of education. Abuse of discretion is the most
4 deferential standard of review, under which the state board must
5 give deference to the decisions of the governing board of the school
6 district and the county board of education to deny the petition. If
7 the denial of a charter petition is reversed by the state board, the
8 state board shall designate, in consultation with the petitioner,
9 either the governing board of the school district or the county board
10 of education in which the charter school is located as the chartering
11 authority.

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

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

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

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

34 (l) (1) Teachers in charter schools shall hold the Commission
35 on Teacher Credentialing certificate, permit, or other document
36 required for the teacher's certificated assignment. These documents
37 shall be maintained on file at the charter school and are subject to
38 periodic inspection by the chartering authority. A governing body
39 of a direct-funded charter school may use local assignment options
40 authorized in statute and regulations for the purpose of legally

1 assigning certificated teachers, in accordance with all of the
2 requirements of the applicable statutes or regulations in the same
3 manner as a governing board of a school district. A charter school
4 shall have authority to request an emergency permit or a waiver
5 from the Commission on Teacher Credentialing for individuals in
6 the same manner as a school district.

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

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

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

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

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

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

37 47605.1. (a) (1) Notwithstanding any other law, a charter
38 school that is granted a charter from the governing board of a
39 school district or county office of education after July 1, 2002, and
40 commences providing educational services to pupils on or after

1 July 1, 2002, shall locate in accordance with the geographic and
2 site limitations of this part.

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

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

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

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

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

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

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

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

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

39 (5) (A) A charter school that was operating a resource center,
40 meeting space, or other satellite facility outside the jurisdiction of

1 the school district where the charter school is physically located
2 before January 1, 2020, may continue to operate the resource
3 center, meeting space, or other satellite facility until the charter
4 school submits a request for the renewal of its charter petition. To
5 continue operating the resource center, meeting space, or other
6 satellite facility, the charter school, before submitting the request
7 to the charter school's chartering authority for the renewal of the
8 charter petition, shall first obtain approval in writing from the
9 school district where the resource center, meeting space, or other
10 satellite facility is operating.

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

17 (6) A countywide charter school approved by a county office
18 of education that is operating a resource center, meeting space, or
19 other satellite facility in a county other than the county in which
20 the countywide charter school is authorized before January 1, 2020,
21 may continue to operate that resource center, meeting space, or
22 other satellite facility until the countywide charter school submits
23 a request for the renewal of its charter petition. To continue
24 operating the resource center, meeting space, or other satellite
25 facility, the countywide charter school, before submitting the
26 request to the countywide charter school's chartering authority for
27 the renewal of the charter petition, shall obtain approval in writing
28 from the county office of education where the resource center,
29 meeting space, or other satellite facility is operating.

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

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

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

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

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

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

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

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

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

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

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

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

(3) Notwithstanding other implementation timelines in this section, by June 30, 2005, or upon the expiration of a charter that is in existence on January 1, 2003, whichever is later, all charter

1 schools shall be required to comply with this section for schoolsites
2 at which educational services are provided to pupils before or after
3 July 1, 2002, regardless of whether the charter school initially
4 received approval of its charter school petition before July 1, 2002.
5 To achieve compliance with this section, a charter school shall be
6 required to receive approval of a charter petition in accordance
7 with this section and Section 47605.

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

11 (e) A charter school that submits its petition directly to a county
12 board of education, as authorized by Section 47605.5 or 47605.6,
13 may establish charter school operations only within the
14 geographical boundaries of the county in which that county board
15 of education has jurisdiction.

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

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

22 (2) Federally affiliated Youth Build programs.

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

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

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

31 SEC. 15. Section 47612.5 of the Education Code is amended
32 to read:

33 47612.5. (a) Notwithstanding any other law and as a condition
34 of apportionment, a charter school shall do all of the following:

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

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

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

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

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

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

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

8 (b) Notwithstanding any other law and except to the extent
9 inconsistent with this section and Section 47634.2, a charter school
10 that provides independent study shall comply with Article 5.5
11 (commencing with Section 51745) of Chapter 5 of Part 28 and
12 implementing regulations adopted thereunder. The state board
13 shall adopt regulations that apply this article to charter schools.
14 To the extent that these regulations concern the qualifications of
15 instructional personnel, the state board shall be guided by
16 subdivision (f) of Section 47605.

17 (c) A reduction in apportionment made pursuant to subdivision
18 (a) shall be proportional to the magnitude of the exception that
19 causes the reduction. For purposes of paragraph (1) of subdivision
20 (a), for each charter school that fails to offer pupils the minimum
21 number of minutes of instruction specified in that paragraph, the
22 Superintendent shall withhold from the charter school's
23 apportionment for average daily attendance of the affected pupils,
24 by grade level, the sum of that apportionment multiplied by the
25 percentage of the minimum number of minutes of instruction at
26 each grade level that the charter school failed to offer.

27 (d) (1) Notwithstanding any other law and except as provided
28 in paragraph (1) of subdivision (e), a charter school that has an
29 approved charter may receive funding for flex-based instruction
30 only if a determination for funding is made pursuant to Section
31 47634.2 by the state board. The determination for funding shall
32 be subject to any conditions or limitations the state board may
33 prescribe. The regulations adopted by the state board that define
34 and establish general rules governing flex-based instruction, as
35 defined in paragraph (2) of subdivision (e), as that paragraph read
36 on December 31, 2023, shall apply to flex-based instruction for
37 all charter schools and to the process for determining funding of
38 flex-based instruction by charter schools offering flex-based
39 instruction other than the flex-based instruction allowed by
40 paragraph (1) of subdivision (e). Flex-based instruction includes,

1 but is not limited to, independent study, home study, work study,
2 and distance and computer-based education. In prescribing any
3 conditions or limitations relating to the qualifications of
4 instructional personnel, the state board shall be guided by
5 subdivision (l) of Section 47605.

6 (2) Except as provided in paragraph (2) of subdivision (b) of
7 Section 47634.2, a charter school that receives a determination
8 pursuant to subdivision (b) of Section 47634.2 is not required to
9 reapply annually for a funding determination of its flex-based
10 instruction program if an update of the information the state board
11 reviewed when initially determining funding would not require
12 material revision, as that term is defined in regulations adopted by
13 the board. Notwithstanding any other law, the state board may
14 require a charter school to provide updated information at any time
15 it determines that a review of that information is necessary. The
16 state board may terminate a determination for funding if updated
17 or additional information requested by the board is not made
18 available to the board by the charter school within a reasonable
19 amount of time or if the information otherwise supports
20 termination. A determination for funding pursuant to Section
21 47634.2 shall not exceed five years.

22 (3) A charter school that offers flex-based instruction in excess
23 of the amount authorized by paragraph (1) of subdivision (e) is
24 subject to the determination for funding requirement of Section
25 47634.2 to receive funding each time its charter is renewed or
26 materially revised pursuant to Section 47607. A charter school
27 that materially revises its charter to offer flex-based instruction in
28 excess of the amount authorized by paragraph (1) of subdivision
29 (e) is subject to the determination for funding requirement of
30 Section 47634.2.

31 (e) (1) Notwithstanding any other law, and as a condition of
32 apportionment, “classroom-based instruction” in a charter school,
33 for purposes of this part, occurs only when charter school pupils
34 are engaged in educational activities required of those pupils and
35 are under the immediate supervision and control of an employee
36 of the charter school who possesses a valid certification document
37 registered as required by law. For purposes of calculating average
38 daily attendance for classroom-based instruction apportionments,
39 at least 80 percent of the instructional time offered by the charter
40 school shall be at the schoolsite, and the charter school shall require

1 the attendance of all pupils for whom a classroom-based
2 apportionment is claimed at the schoolsite for at least 80 percent
3 of the minimum instructional time required to be offered pursuant
4 to paragraph (1) of subdivision (a).

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

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

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

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

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

21 47612.7. (a) Notwithstanding any other law and except as
22 provided in subdivision (b), from January 1, 2020, to January 1,
23 2026, inclusive, the approval of a petition for the establishment of
24 a new flex-based charter school, as defined in paragraph (3) of
25 subdivision (e) of Section 47612.5, is prohibited.

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

30 (1) If Assembly Bill 1507 of the 2019–20 Regular Session
31 amends Section 47605.1 and becomes operative on January 1,
32 2020, and the flex-based charter school is required to submit a
33 petition to the governing board of a school district or county board
34 of education in an adjacent county in which its existing resource
35 center is located in order to comply with Section 47605.1, as
36 amended by Assembly Bill 1507 of the 2019–20 Regular Session,
37 or to retain current program offerings or enrollment.

38 (2) If a flex-based charter school is required to submit a petition
39 to a school district or county board of education in which a resource
40 center is located in order to comply with the court decision in

1 Anderson Union High School District v. Shasta Secondary Home
2 School (2016) 4 Cal.App.5th 262, or other relevant court ruling,
3 and the petition is necessary to retain current program offerings
4 or enrollment.

5 (3) A flex-based charter school authorized by a different
6 chartering authority pursuant to paragraphs (1) and (2) shall be
7 regarded by the department as a continuing charter school for all
8 purposes to the extent it does not conflict with federal law. In order
9 to prevent any potential conflict with federal law, this paragraph
10 does not apply to covered programs as identified in Section
11 8101(11) of the federal Elementary and Secondary Education Act
12 of 1965 (20 U.S.C. Sec. 7801) to the extent the affected charter
13 school is the restructured portion of a divided charter school
14 pursuant to Section 47654.

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

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

19 SEC. 17. Section 47613 of the Education Code is amended to
20 read:

21 47613. (a) Except as set forth in subdivision (b), a chartering
22 authority may charge for the actual costs of supervisory oversight
23 of a charter school not to exceed 1 percent of the revenue of the
24 charter school.

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

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

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

39 ~~(e) On or before October 1, 2027, the Legislative Analyst's~~
40 ~~Office shall do both of the following:~~

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

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

~~(i) Reduce conflicts of interest.~~

~~(ii) Establish clear and fair authorizing criteria and processes.~~

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

~~(iv) Minimize unnecessarily burdensome authorizing practices.~~

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

~~(2) Convene an advisory group of experts on charter school operations and charter authorizing to advise the Legislative Analyst's Office on carrying out the study specified in paragraph (1).~~

~~(f)~~

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

~~(g)~~

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

~~(h)~~

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

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

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

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

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

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

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

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

(1) Inform charter schools of the grant program.

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

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

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

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

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

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

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

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

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

27 (d) For purposes of this section:

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

38 (2) If prior year rent or lease costs are unavailable, and the
39 current year lease and rent costs are not immediately available,

1 the California School Finance Authority shall use rent or lease
2 cost estimates provided by the charter school.

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

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

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

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

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

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

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

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

37 (3) Charter schools receiving reasonably equivalent facilities
38 from their chartering authorities pursuant to Section 47614, except
39 that charter schools shall be eligible for the portions of their

1 facilities that are not reasonably equivalent facilities received from
2 their chartering authorities.

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

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

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

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

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

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

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

37 (m) The California School Finance Authority may adopt
38 regulations to implement this section. Any regulations adopted
39 pursuant to this section may be adopted as emergency regulations
40 in accordance with the Administrative Procedure Act (Chapter 3.5

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

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

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

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

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

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

(2) This section does not authorize the state board to adjust the amount of funding a charter school receives on the basis of average

1 daily attendance generated through classroom-based instruction,
2 as defined for purposes of calculating average daily attendance for
3 classroom-based instruction apportionments by paragraph (1) of
4 subdivision (e) of Section 47612.5.

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

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

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

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

28 (d) Notwithstanding any other law, charter schools shall be
29 subject, with regard to subdivisions (c) to (e), inclusive, of Section
30 47612.5 and this section, to audits conducted pursuant to Section
31 41020.

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

36 (1) Assess whether data submitted by a charter school is
37 consistent with its annual independent financial audit for the year
38 of the funding determination, if available. If the information in the
39 funding determination form is not consistent with the information
40 reported in its annual independent financial audit, charter schools

1 shall provide clarification and backup documents along with their
2 form.

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

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

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

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

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

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

33 (8) For a charter school whose unassigned balances are less than
34 5 percent of annual expenditures, the department shall notify the
35 chartering authority of the charter school to verify that the charter
36 school has sufficient reserves to address economic uncertainties.

37 (9) A charter school's funding is reduced only in cases of
38 demonstrable financial abuses, profiteering, or grossly excessive
39 administrative expenses.

1 SEC. 21. Section 51744 of the Education Code is amended to
2 read:

3 51744. (a) The Legislature finds and declares that by offering
4 a range of quality educational options, including classroom-based,
5 nonclassroom-based, hybrid, and flex-based programs, local
6 educational agencies can better tailor instruction to pupils, thereby
7 improving academic outcomes while maximizing enrollment.

8 (b) It is the intent of the Legislature that local educational
9 agencies offer educational programs that best serve the needs of
10 their pupils.

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

16 SEC. 22. Section 51745.6 of the Education Code is amended
17 to read:

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

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

1 other educational programs offered is negotiated in a collective
2 bargaining agreement or a memorandum of understanding is
3 entered into that indicates an existing collective bargaining
4 agreement contains an alternative average daily attendance ratio.
5 The computation of the ratios shall be performed annually by the
6 reporting agency at the time of, and in connection with, the second
7 principal apportionment report to the Superintendent.

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

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

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

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

34 (d) T h e a p p l i c a b l e
35 average-daily-attendance-to-certificated-employee ratios described
36 in subdivision (a) may, in a charter school, be calculated by using
37 (1) a fixed average-daily-attendance-to-certificated-employee ratio
38 of 25 to 1, (2) a ratio of less than 25 pupils per certificated
39 employee, or (3) the equivalent ratio of pupils to full-time
40 certificated employees for all other educational programs operated

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

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

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

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

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

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

1 California public school, the record shall be forwarded to that
2 school.

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

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

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

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

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

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

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

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

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

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

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

6 (e) (1) For pupils in transitional kindergarten and grades 1 to
7 3, inclusive, a plan to provide opportunities for daily synchronous
8 instruction for all pupils throughout the school year.

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

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

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

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

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

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

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

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

38 (5) The duration of the independent study agreement, including
39 the beginning and ending dates for the pupil's participation in
40 independent study under the agreement. No independent study

1 agreement shall be valid for any period longer than one school
2 year.

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

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

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

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

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

1 as applicable. The written agreement may be signed at any time
2 during the school year, but it is the intent of the Legislature that
3 parents or guardians of pupils be provided the agreement at or
4 before the beginning of the school year.

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

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

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

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

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

31 (F) Notwithstanding subparagraph (A), for the 2021–22 school
32 year only, a local educational agency shall obtain a signed written
33 agreement for an independent study program of any length of time
34 from the pupil, or the pupil’s parent or legal guardian if the pupil
35 is less than 18 years of age, the certificated employee who has
36 been designated as having responsibility for the general supervision
37 of independent study, and the certificated employee designated as
38 having responsibility for the special education programming of
39 the pupil, as applicable, no later than 30 days after the first day of
40 instruction in an independent study program or October 15,

1 whichever date comes later. This subparagraph does not relieve a
2 local educational agency from the obligation to comply with the
3 requirements of this article, as amended by the act adding this
4 subparagraph, upon commencement of instruction for a
5 participating pupil in the 2021–22 school year.

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

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

35 (i) Subdivisions (d), (e), and (f) shall not apply to pupils that
36 participate in an independent study program for fewer than 16
37 schooldays in a school year and pupils enrolled in a comprehensive
38 school for classroom-based instruction who, under the care of
39 appropriately licensed professionals, participate in independent
40 study due to necessary medical treatments or inpatient treatment

1 for mental health care or substance abuse. Local educational
2 agencies shall obtain evidence from appropriately licensed
3 professionals of the need for pupils to participate in independent
4 study pursuant to this subdivision.

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

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

30 (3) This subdivision shall apply only to pupils participating in
31 independent study due to quarantine who do not have the option
32 of in-person instruction, and only for the period of quarantine
33 mandated pursuant to state or local health guidance or order. This
34 subdivision shall not apply to classroom-based charter schools
35 offering independent study to pupils whose parents or guardians
36 have requested independent study pursuant to subdivision (a) of
37 Section 51745.

38 (k) Commencing with the 2021–22 fiscal year Guide for Annual
39 Audits of K–12 Local Education Agencies and State Compliance
40 Reporting, the Controller shall incorporate verification of the

1 adoption of the policies required pursuant to this section, including
2 loss of apportionment for independent study for local educational
3 agencies found to be noncompliant, unless compliance verification
4 for those policies is already included in the audit guide.

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

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

11
12 Article 11. Audit Provisions
13

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

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

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

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

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

37 51822. Notwithstanding any other law, beginning in the
38 2027–28 fiscal year, for one or more charter schools consolidated
39 within a school district or a county office of education, the

1 chartering authority's accounts and annual audit shall separately
2 track and report financial data for each charter school.

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

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

10
11 Article 11.5. Educational Enrichment Activities
12

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

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

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

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

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

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

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

3 (6) Prohibit the local educational agency from paying any vendor
4 for educational enrichment activities before approval.

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

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

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

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

23 (g) For purposes of this section, “local educational agency”
24 means a county office of education, school district, or charter
25 school.

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

27 SEC. 26. Section 811.2 of the Government Code is amended
28 to read:

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

34 SEC. 27. If the Commission on State Mandates determines
35 that this act contains costs mandated by the state, reimbursement
36 to local agencies and school districts for those costs shall be made
37 pursuant to Part 7 (commencing with Section 17500) of Division
38 4 of Title 2 of the Government Code.

O