

AMENDED IN ASSEMBLY JULY 18, 2025

AMENDED IN ASSEMBLY JULY 8, 2025

AMENDED IN SENATE MAY 1, 2025

AMENDED IN SENATE MARCH 26, 2025

SENATE BILL

No. 414

Introduced by Senator Ashby

February 14, 2025

An act to amend Sections 14502.1, 41020, *41020.2*, 41020.5, 42238.024, 43521, *45125.1*, 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~~ *14502*, *41020.4*, *41020.6*, and *47605.05* 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, relating to school accountability.

LEGISLATIVE COUNSEL'S DIGEST

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

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

agency, as applicable, from a directory of certified public accountants and public accountants deemed by the Controller as qualified to conduct audits of local educational agencies.

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

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

The bill would require an auditor of a local educational agency to, among other things, ensure that all sampling of documents or records necessary for the audit are independently selected by the auditor, 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) If a school district governing board has entered into a contract for an independent audit of its financial statements, as specified, and the audited financial statements have not been timely filed with the county superintendent of schools, existing law authorizes the county superintendent of schools to investigate the causes for the delay and initiate one of certain specified actions that will provide the required audited financial statements in the most effective manner, as provided.

This bill would revise and recast those provisions by, among other things, applying them to all local educational agencies and instead requiring the county superintendent of schools or the chartering

authority, as applicable, to investigate the causes of the delay and initiate one of certain specified actions, as provided. By imposing additional duties on county superintendents of schools and chartering authorities, the bill would impose a state-mandated local program. The bill would authorize a county superintendent of schools, chartering authority, the Controller, or the Superintendent of Public Instruction to refer an independent auditor of a local educational agency to the California Board of Accountancy if certain conditions are met.

(2)

(3) 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.

(4) *Existing law requires any entity that has a contract with a school district, county office of education, or charter school to ensure that any employee who interacts with pupils, outside of the immediate supervision and control of the pupil's parent or guardian or a school employee, has a valid criminal records summary, as specified.*

This bill would require an entity that has a contract with a local educational agency to instead ensure any employee who interacts with pupils has a valid criminal records summary without regard to whether the interaction takes place outside of the immediate supervision and control of the pupil's parent or guardian or a school employee.

(3)

(5) 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.

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

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

(4)

(6) 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 require that monitoring to also include a review of a sample of credit and debit card transactions of each charter school under its authority. The bill would require a chartering authority to provide the governing body of the charter school with feedback on any issues of concern identified in the review, as provided. If a chartering authority has reasonable suspicion that fraud, misappropriations of public funds, embezzlement, or other financial crimes, may be occurring, the bill would require the chartering authority to notify the State Department of Education and the county office of education. The bill would require the state board, or the state board’s designee, to promptly investigate allegations of false claims or misappropriation of public funds by charter schools if there is probable cause to believe that those crimes have occurred. By imposing additional requirements on charter schools and local educational agencies acting as chartering authorities, the bill would impose a state-mandated local program.

(5)

(7) 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~~ *revise and recast those provisions by, among other things, authorizing* the state board to adjust the amount of funding to be allocated to a charter school if the state board makes a finding of demonstrable financial abuse, profiteering, or grossly excessive administrative expenses. ~~The bill would require~~ *expenses, requiring* the state board, on or before May 31, 2027, to review and revise ~~regulations~~ *regulations, to commence with the 2027–28 fiscal year,* governing the funding determination process for flex-based charter schools to be consistent with specified criteria, as ~~provided~~ *provided, and, commencing with the 2027–28 fiscal year, requiring the state board's Advisory Commission on Charter Schools to recommend to the state board the approval of a funding determination request submitted by a charter school consistent with specified conditions.*

(6)

(8) 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 educational support activities, as defined, meant to enhance a pupil's program with a vendor that is vetted and approved pursuant to procedures established by the bill. The bill would authorize a local educational agency to expend public funds for educational support activities, provided that all educational support activities, materials, and programs are nonsectarian.

The bill would require the governing board or body of a local educational agency, in approving any contract for vendor services for educational support activities, to establish specified policies and procedures to ensure educational value, pupil safety, and fiscal reasonableness, and would further require that these policies ensure that vendor services for educational support activities meet designated criteria. The bill would require auditing of approval of, and compliance with, policies and procedures established under the bill to be included in designated annual audit reports. The bill would require a vendor contract that will exceed \$100,000 in a fiscal year to be approved by the governing board or body of the local educational agency in an open public meeting. The bill would also require an educational support activity provided by a school to be approved and verified by the pupil's

assigned teacher as relevant to specific educational assignments and educationally appropriate for that pupil.

(7)

(9) 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 is added to the Education Code,
2 to read:

3 14502. The county superintendent of schools, the chartering
4 authority, the Controller, or the Superintendent may refer an
5 independent auditor of a local educational agency to the California
6 Board of Accountancy for action described in paragraph (2) of
7 subdivision (c) of Section 14504.2 if any of the following
8 circumstances exist:

9 (a) An audit of a local educational agency was conducted in a
10 manner that may constitute unprofessional conduct, as defined by
11 Section 5100 of the Business and Professions Code, including, but
12 not limited to, gross negligence resulting in a material misstatement
13 in the audit.

14 (b) Material deficiencies are discovered in the quality control
15 review conducted pursuant to Section 14504.2.

16 (c) The continuing education requirements of Section 41020
17 are not met.

18 ~~SECTION 1.~~

19 SEC. 2. Section 14502.1 of the Education Code is amended to
20 read:

21 14502.1. (a) The Controller, in consultation with the
22 Department of Finance and the department, shall develop a plan
23 to review and report on financial and compliance audits. The plan
24 shall commence with the 2003–04 fiscal year for audits of school
25 districts, other local educational agencies, and the offices of county

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

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

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

13 (c) For the audit of school districts or county offices of education
14 electing to take formal action pursuant to Sections 22714 and
15 44929, the audit guide content proposed by the Controller shall
16 include, but not be limited to, the following:

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

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

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

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

25 (d) The Controller shall annually prepare a cost analysis, based
26 on the information included in the audit reports for the prior fiscal
27 year, to determine the net savings or costs resulting from formal
28 actions taken by school districts and county offices of education
29 pursuant to Sections 22714 and 44929, and shall report the results
30 of the cost analysis to the Governor and the Legislature by April
31 1 of each year.

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

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

1 the financial and performance audits required for school facility
2 projects, as described in Section 15286.

3 ~~SEC. 2.~~

4 *SEC. 3.* Section 41020 of the Education Code is amended to
5 read:

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

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

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

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

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

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

38 (c) Each audit conducted in accordance with this section shall
39 include all funds of the local educational agency, including the
40 student body and cafeteria funds and accounts and any other funds

1 under the control or jurisdiction of the local educational agency.
2 Each audit shall also include an audit of pupil attendance
3 procedures. Each audit shall include a determination of whether
4 funds were expended pursuant to a local control and accountability
5 plan or an approved annual update to a local control and
6 accountability plan pursuant to Article 4.5 (commencing with
7 Section 52059.5) of Chapter 6.1 of Part 28 of Division 4.

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

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

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

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

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

38 (3) It is the intent of the Legislature that, notwithstanding
39 paragraph (2), the rotation within public accounting firms conform
40 to provisions of the federal Sarbanes-Oxley Act of 2002 (Public

1 Law 107-204; 15 U.S.C. Sec. 7201 et seq.), and upon release of
2 the report required by the act of the Comptroller General of the
3 United States addressing the mandatory rotation of registered
4 public accounting firms, the Legislature intends to reconsider
5 paragraph (2). In determining which certified public accountants
6 and public accountants shall be included in the directory, the
7 Controller shall use the following criteria:

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

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

15 (4) After the 2026–27 fiscal year, in order to be added to or
16 remain on the Controller’s directory of certified public accountants
17 and public accountants deemed qualified to conduct audits of local
18 educational agencies, all certified public accountants conducting
19 or supervising audits of local educational agencies shall complete
20 24 hours of initial training, and at least 16 hours of training every
21 two years thereafter, in topics determined by the Controller to be
22 specific to financial reporting and compliance testing related to
23 school districts, charter schools, and flex-based schools operated
24 by school districts or charter schools. *All certified public*
25 *accountants conducting or supervising audits of local educational*
26 *agencies shall certify to the Controller the completion of auditor*
27 *training pursuant to this section as a condition of remaining active*
28 *in the Controller’s directory.*

29 (g) (1) *Commencing with the 2026–27 fiscal year, certified*
30 *public accountant firms, certified public accountants, and public*
31 *accountants that conduct audits of local educational agencies shall*
32 *comply with both of the following:*

33 (A) *Have been peer reviewed by the California Board of*
34 *Accountancy to ensure that the selection of audits for each auditor*
35 *or firm undergoing a peer review is representative of each type of*
36 *local educational agency for which an auditor performs audits*
37 *and the reviewers have relevant experience with financial or*
38 *compliance audits of local educational agencies, including*
39 *completion of training in accordance with this section.*

1 (B) *The continuing education hours required pursuant to*
2 *paragraph (4) of subdivision (f) shall be evidenced by a*
3 *certification to the Controller from the certified public accountant*
4 *firm, the certified public accountant, or public accountant that the*
5 *requirements have been met.*

6 (2) *The requirements of this subdivision shall apply to audits*
7 *of local educational agencies regardless of whether the local*
8 *educational agency is a governmental agency or a nonprofit*
9 *organization.*

10 (h) *Auditors that are under contract with a local educational*
11 *agency shall notify the chartering authority or the county*
12 *superintendent of schools, as applicable, the Superintendent, and*
13 *the Controller in the event that the auditor's contract with the*
14 *local educational agency is terminated or otherwise denied for*
15 *renewal. The notification shall include the reason for the*
16 *termination or denial for renewal and shall be made within 30*
17 *calendar days of the effective date of that termination or*
18 *nonrenewal.*

19 ~~(g)~~

20 (i) (1) The auditor's report shall include each of the following:

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

25 (B) A summary of audit exceptions and management
26 improvement recommendations.

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

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

1 implement,” “accepted the recommendation,” or “will discuss at
2 a later date.”

3 ~~(h)~~

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

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

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

16 ~~(i)~~

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

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

35 ~~(j)~~

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

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

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

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

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

~~(k)~~

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

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

~~(t)~~

(n) In the audit of a local educational agency for a subsequent year, the auditor shall review the correction or plan or plans of correction submitted by the local educational agency to determine if the exceptions have been resolved. If an exception has not been resolved, the auditor shall immediately notify the appropriate county office of education and the department and restate the exception in the audit report. After receiving that notification, the department shall either consult with the local educational agency to resolve the exception or require the county superintendent of schools to follow up with the local educational agency.

~~(m)~~

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

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

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

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

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

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

~~(n)~~

(p) To facilitate correction of the exceptions identified by the audits issued pursuant to this section, the Controller shall require auditors to categorize audit exceptions in each audit report in a manner that will make it clear to both the county superintendent

1 of schools and the Superintendent which exceptions they are
2 responsible for ensuring the correction of by a local educational
3 agency. In addition, the Controller annually shall select a sampling
4 of county superintendents of schools, perform a followup of the
5 audit resolution process of those county superintendents of schools,
6 and report the results of that followup to the Superintendent and
7 the county superintendents of schools that were reviewed.

8 (o)

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

12 (p)

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

19 (q)

20 (s) Audits of regional occupational centers and programs are
21 subject to this section.

22 (r)

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

26 (s)

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

34 *SEC. 4. Section 41020.2 of the Education Code is amended to*
35 *read:*

36 41020.2. (a) ~~If a school district a school district~~ (1) *If the*
37 *governing board of a school district or educational joint powers*
38 *authority has entered into a contract for an independent audit of*
39 *its financial statements in accordance with Section 41020 and the*
40 *audited financial statements have not been filed with the county*

1 superintendent of schools on or before the due date established
2 under Section 41020, the county superintendent of schools ~~may~~
3 ~~shall~~ investigate the causes for the delay and initiate one of the
4 ~~following~~ actions *described in subdivision (c)* that will provide
5 the required audited financial statements in the most effective
6 ~~manner~~; manner.

7 *(2) If the governing body of a charter school has entered into*
8 *a contract for an independent audit of its financial statements in*
9 *accordance with Section 41020 and the audited financial*
10 *statements have not been filed with the chartering authority on or*
11 *before the due date established under Section 41020, the chartering*
12 *authority shall investigate the causes for the delay and initiate one*
13 *of the actions described in subdivision (c) that will provide the*
14 *required audited financial statements in the most effective manner.*

15 ~~(1)~~

16 *(b) (1) (A) The county superintendent of schools or the*
17 *chartering authority may, after consultation with the ~~school district~~*
18 *governing board or body of the local educational agency and the*
19 *auditors under contract to the ~~district~~, local educational agency,*
20 *and with the consent of the Controller's office and the*
21 *Superintendent, grant an appropriate extension for the completion*
22 *of the audit and the filing of the audited financial statements. An*
23 *extension does not waive the legal deadline, but permits the filing*
24 *of the report after the deadline. An*

25 *(B) As applicable pursuant to subdivision (a), the Superintendent*
26 *may, after consultation with the county board of education and*
27 *the auditors under contract to the county board of education for*
28 *the county office of education or for a charter school where the*
29 *county board of education of the county in which the charter school*
30 *is located is the chartering authority, and with the consent of the*
31 *Controller's office, grant an appropriate extension for the*
32 *completion of the audit and the filing of the audited financial*
33 *statements. An extension does not waive the legal deadline, but*
34 *permits the filing of the report after the deadline.*

35 *(2) An extension granted pursuant to this subdivision shall be*
36 *appropriate if the extension adheres to all of the following*
37 *requirements:*

38 *(A) An extension shall be the shortest amount of time reasonable*
39 *given the extenuating circumstances justifying the extension.*

(B) Extensions shall be in increments of no longer than 45 calendar days.

(C) Extensions shall not exceed a total of 90 calendar days from the due date established pursuant to Section 41020.

~~(2) The county superintendent of schools may, after consultation with the school district governing board,~~

(3) As applicable pursuant to subdivision (a), the county superintendent of schools, the chartering authority, or the Superintendent may, after consultation with the governing board or body of the local educational agency, the auditors under contract to the district, local educational agency, and the Controller's office, contract with another qualified certified public accountant or public accountant to obtain the required audited financial statements and charge the cost of the audit to the funds of the district. local educational agency. The county superintendent of schools, the chartering authority, or the Superintendent shall, to the extent feasible, assist the district local educational agency in initiating action to avoid payment to the auditors under contract who did not complete the original audit.

~~(3) The~~

(4) As applicable pursuant to subdivision (a), the county superintendent of schools, the chartering authority, or the Superintendent may request the Controller's office to investigate the situation and initiate action as provided in subdivision (b). (c).

~~(b)~~

(c) (1) If the audited financial statements required by Section 41020 have not been filed by a school district or county superintendent of schools a local educational agency with the Controller's office on or before the due date established under Section 41020, the Controller's office shall determine the most advantageous method of obtaining the required audited financial statements. The Controller's office may do any of the following:

~~(1)~~

(A) Accept the action of the county superintendent of schools, the chartering authority, or the Superintendent permitted by subdivision (a). (b).

~~(2)~~

(B) Conduct the audit and prepare the auditor's report, utilizing the staff available within that office and charge the cost of the audit to the next regular apportionment from the State School

1 Fund to the ~~district or county superintendent of schools.~~ *local*
2 *educational agency.*

3 ~~(3)~~

4 (C) Contract with any qualified certified public accountant or
5 public accountant, ~~utilizing~~ *using* the appropriate contracting
6 procedures, for the conduct of the audit and preparation of the
7 audited financial statements and charge the cost of the audit to the
8 next regular apportionment from the State School Fund to the
9 ~~district or county superintendent of schools.~~ *local educational*
10 *agency.*

11 ~~(4) Grant~~

12 (D) *Consistent with the limits described in paragraph (2) of*
13 *subdivision (b), grant* a reasonable extension of the time for filing
14 the report if, in the judgment of the Controller's office, this will
15 provide the required audited financial statements within the shortest
16 time period. The extension of the time for filing does not waive
17 the legal deadline, but permits the filing of the report after the
18 deadline.

19 ~~The~~

20 (2) *The* Controller's office shall consult with the ~~district~~
21 ~~governing board, the county superintendent of schools, and~~
22 ~~governing board or body of the local educational agency, the~~
23 ~~auditors under contract to the district or county superintendent of~~
24 ~~schools~~ *local educational agency, and the county superintendent*
25 *of schools or the chartering authority, as applicable,* before making
26 the determination of the method to be used in obtaining the audited
27 financial statements. The Controller's office shall, to the extent
28 feasible, assist the ~~district or county superintendent~~ *local*
29 *educational agency* in initiating action to avoid payment to the
30 auditors under contract who did not complete the original audit.

31 ~~(e)~~

32 (d) Notwithstanding any extension granted under ~~paragraph (1)~~
33 ~~of subdivision (a) or paragraph (4) of subdivision (b), subdivision~~
34 ~~(b) or subparagraph (D) of paragraph (1) of subdivision (c),~~ the
35 Controller's office may determine at any time after the due date
36 for filing of audit reports established by Section 41020 that the
37 audited financial statements not yet filed with that office are
38 delinquent and that the audit will be performed under *subparagraph*
39 *(B) or (C) of paragraph (2) or (3) (1) of subdivision (b). (c).*

(e) *If the audited financial statements required by Section 41020 have not been filed by a local educational agency with the Controller's office on or before the due date established under Section 41020, the auditors under contract with the local educational agency shall notify the chartering authority, the county superintendent of schools, the Superintendent, and the Controller that the audit filing is delayed, the reasons for the delay, and the estimated filing date. The notification shall be made no later than 15 calendar days from the due date established under Section 41020.*

(f) *For purposes of this section, "local educational agency" means a school district, educational joint powers authority, county superintendent of schools, or charter school.*

~~SEC. 3.~~

SEC. 5. 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 corrections for, 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.~~

SEC. 6. 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 reports, including amended reports, submitted by February 15 following the close of the fiscal year audited, for two consecutive years do not conform to provisions of the audit guide as required

1 by Section 14504, the Controller or the county superintendent of
2 schools, as appropriate, shall notify in writing the certified public
3 accountant or public accountant and the California Board of
4 Accountancy.

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

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

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

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

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

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

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

1 ~~SEC. 5.~~

2 SEC. 7. Section 41020.6 is added to the Education Code, to
3 read:

4 41020.6. (a) An auditor, when performing an audit described
5 in Section 41020, subparagraph (I) of paragraph (5) of subdivision
6 (c) of Section 47605, or subparagraph (I) of paragraph (5) of
7 subdivision (b) of Section 47605.6, shall do all of the following:

8 (1) Ensure that all sampling of documents or records necessary
9 for the audit are independently selected by the ~~auditor.~~ auditor;
10 *consistent with both of the following:*

11 (A) *Where representative samples of pupils, pupil work product,*
12 *financial transactions, or other sampling is required to be*
13 *performed and selected, the auditor shall independently identify*
14 *the sample and make that selection personally.*

15 (B) *Auditor transaction sampling shall include a sample size*
16 *appropriate for the type of local educational agency pursuant to*
17 *the test of compliance sample table in the Guide for Annual Audits*
18 *of K–12 Local Education Agencies and State Compliance*
19 *Reporting.*

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

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

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

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

38 (b) An auditor of a local educational agency that offers
39 independent study pursuant to Article 5.5 (commencing with
40 Section 51744) of Chapter 5 of Part 28 of Division 4 shall verify

1 the pupil-to-teacher ratio of the school or program and include this
2 information in the audit.

3 (c) *Commencing with the 2026–27 fiscal year Guide for Annual*
4 *Audits of K–12 Local Education Agencies and State Compliance*
5 *Reporting, the Controller shall include a minimum of two sample*
6 *audit reports that incorporate best practices and meet audit*
7 *reporting requirements for format and content. At a minimum, the*
8 *two sample audit reports shall include a sample audit report for*
9 *a school district and a sample audit report for a charter school.*

10 (d) *Commencing with the 2026–27 fiscal year Guide for Annual*
11 *Audits of K–12 Local Education Agencies and State Compliance*
12 *Reporting, the Controller shall include, but is not limited to,*
13 *instructions necessary to require, at a minimum, all of the following*
14 *supplemental information and schedules in audit report*
15 *components for an audit of a local educational agency, except as*
16 *provided:*

17 (1) *Board members and related management organizations: a*
18 *disclosure of the governing body’s composition, including member*
19 *names and terms, if applicable, any related entity managing a*
20 *charter school, as defined in Section 47604.1, including governing*
21 *body composition and governing body members and terms, if*
22 *applicable, the members of executive management of any related*
23 *entity managing a charter school, and any staff shared by the*
24 *charter school and the related entity managing a charter school,*
25 *or other related charter schools.*

26 (2) *Related loans: a disclosure of any loans, including the terms*
27 *of those loans, to or from the local educational agency and any of*
28 *the local educational agency governing board or body members*
29 *or staff. For a charter school, this may also include a loan to or*
30 *from an entity managing a charter school, as defined in Section*
31 *47604.1, including governing board or body members or members*
32 *of executive management of any related entity managing a charter*
33 *school, or staff of the charter school or other related charter*
34 *schools.*

35 (3) *Flex-based charter school network: for flex-based charter*
36 *schools, determine whether the charter school is part of a network*
37 *of flex-based charter schools, as defined in subdivision (h) of*
38 *Section 47634.2.*

1 ~~SEC. 6.~~

2 *SEC. 8.* Section 42238.024 of the Education Code is amended
3 to read:

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

14 (b) (1) Funds appropriated pursuant to subdivision (a) shall be
15 made available by the Superintendent to eligible local educational
16 agencies for allocation to schoolsites eligible pursuant to paragraph
17 (2) for evidence-based services and supports for pupils, with a
18 demonstration of how the resulting services and supports are
19 increased or improved in comparison to services and supports that
20 would have been provided at the schoolsites if the funding were
21 not provided. Funds appropriated pursuant to subdivision (a) shall
22 supplement, not supplant, funding provided for these schoolsites
23 for purposes of the local control funding formula pursuant to
24 Section 2574, 2575, or 42238.02, the Expanded Learning
25 Opportunities Program pursuant to Section 46120, the Literacy
26 Coaches and Reading Specialists Grant Program established
27 pursuant to Section 137 of Chapter 52 of the Statutes of 2022, and
28 the California Community Schools Partnership Act (Chapter 6
29 (commencing with Section 8900) of Part 6 of Division 1 of Title
30 1).

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

38 (3) An eligible schoolsite shall not receive funding pursuant to
39 paragraph (2) of less than fifty thousand dollars (\$50,000), adjusted

1 each fiscal year by percentage change applied pursuant to paragraph
2 (2) of subdivision (d) of Section 42238.02 for that fiscal year.

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

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

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

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

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

21 (1) “Eligible local educational agency” means a school district,
22 county office of education, or charter school that generates a local
23 control funding formula entitlement pursuant to Sections 2574,
24 2575, or 42238.02, excluding a charter school classified as a
25 flex-based charter school as of the prior fiscal year’s second
26 principal apportionment certification pursuant to Section 47612.5.

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

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

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

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

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

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

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

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

12 (E) The pupil is a foster youth.

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

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

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

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

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

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

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

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

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

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

~~SEC. 7.~~

SEC. 9. 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

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

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

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

18 (1) A local educational agency shall receive one thousand dollars
19 (\$1,000) per homeless pupil enrolled in the 2020–21 fiscal year
20 as reported in the California Longitudinal Pupil Achievement Data
21 System as of the 2020–21 Fall 1 Submission.

22 (2) A state special school shall receive seven hundred
23 twenty-five dollars (\$725) for each unit of average daily attendance
24 as of the 2020–21 second principal apportionment certification.
25 The average daily attendance for each state special school shall
26 be deemed to be 97 percent of the enrollment as reported in the
27 California Longitudinal Pupil Achievement Data System as of the
28 2020–21 Fall 1 Submission.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

25 (B) Homeless pupils.

26 (C) Foster youth.

27 (D) English learners.

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

31 (F) Disengaged pupils.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

3 *SEC. 10. Section 45125.1 of the Education Code is amended*
4 *to read:*

5 45125.1. (a) Any entity that has a contract with a local
6 educational agency shall ensure that any employee who interacts
7 with pupils, ~~outside of the immediate supervision and control of~~
8 ~~the pupil’s parent or guardian or a school employee;~~ *pupils* has a
9 valid criminal records summary as described in Section 44237.
10 When the contracting entity performs the criminal background
11 check, it shall immediately provide any subsequent arrest and
12 conviction information it receives to any local educational agency
13 that it is contracting with pursuant to the subsequent arrest service.

14 (b) (1) This section does not apply to an entity providing
15 services to a local educational agency, as described in subdivision
16 (a), in an emergency or exceptional situation, such as when pupil
17 health or safety is endangered or when repairs are needed to make
18 school facilities safe and habitable.

19 (2) Notwithstanding subdivision (a), an employee of any entity
20 that has a contract with a local educational agency, and that offers
21 work experience opportunities for pupils, including, but not limited
22 to, opportunities pursuant to Section 51760, 52336, 52372, 52410,
23 or 52460, Article 1 (commencing with Section 52300), Article 5
24 (commencing with Section 52381), or Article 7 (commencing with
25 Section 52450) of Chapter 9 of Part 28 of Division 4, Chapter 16.5
26 (commencing with Section 53070) of Part 28 of Division 4, Article
27 5 (commencing with Section 54690) of Chapter 9 of Part 29 of
28 Division 4, or Part 54.5 (commencing with Section 88820) of
29 Division 7 of Title 3, or workplace placements as part of a pupil’s
30 individualized education program, including, but not limited to,
31 the services described in Article 3 (commencing with Section
32 56470) of Chapter 4.5 of Part 30 of Division 4, is not required to
33 have a valid criminal records summary pursuant to subdivision (a)
34 if all of the following requirements are met:

35 (A) At least one adult employee in the workplace during the
36 pupil’s work hours, who has direct contact with the pupil and has
37 been designated by the employer as the employee of record who
38 is responsible for the safety of the pupil, has a valid criminal
39 records summary as described in Section 44237.

1 (B) A staff representative of the local educational agency makes
2 visitations as specified in a pupil's individualized education
3 program, or, if unspecified, at least once every three weeks to
4 consult with the pupil's workplace liaison, observe the pupil at the
5 workplace, and check in with the pupil to ensure the pupil's health,
6 safety, and welfare, including by addressing any concerns the pupil
7 has raised.

8 (C) The parent or guardian of the pupil has signed a consent
9 form regarding the pupil's work placement, attesting that the parent
10 or guardian understands the duties assigned to the pupil and the
11 nature of the workplace environment.

12 (3) If a pupil participates in services provided by a contractor
13 as part of an independent study program and the pupil is under the
14 immediate supervision and control of the pupil's parent or guardian
15 during the provision of those services, the local educational agency
16 shall do either of the following:

17 (A) Verify completion of a valid criminal records summary for
18 all employees of the contractor who interact with the pupil.

19 (B) Ensure that the parent or guardian of the pupil has signed
20 a consent form before the pupil's interaction with a person
21 employed by the contractor, attesting that the parent or guardian
22 understands that the person employed by the contractor has not
23 completed a valid criminal records summary as described in
24 Section 44237.

25 (c) On a case-by-case basis, a local educational agency may
26 require an entity with whom it has a contract to comply with the
27 requirements of this section for employees in addition to those
28 described in subdivision (a). The entity shall prepare and submit
29 those employee's fingerprints to the Department of Justice, as
30 described in subdivision (a).

31 (d) (1) The Department of Justice shall ascertain whether the
32 individual whose fingerprints were submitted to it pursuant to
33 subdivision (a), (c), or (h) has been arrested or convicted of any
34 crime insofar as that fact can be ascertained from information
35 available to the Department of Justice. Upon implementation of
36 an electronic fingerprinting system with terminals located statewide
37 and managed by the Department of Justice, the Department of
38 Justice shall ascertain the information required pursuant to this
39 section within three working days. When the Department of Justice
40 ascertains that an individual whose fingerprints were submitted to

1 it pursuant to subdivision (a), (c), or (h) has a pending criminal
2 proceeding for a felony as defined in Section 45122.1 or has been
3 convicted of a felony as defined in Section 45122.1, the Department
4 of Justice shall notify the employer designated by the individual
5 of that fact. The notification shall be delivered by telephone or
6 email to the employer.

7 (2) The Department of Justice, at its discretion, may notify the
8 local educational agencies in instances when the employee is
9 defined as having a pending criminal proceeding described in
10 Section 45122.1 or has been convicted of a felony as defined in
11 Section 45122.1.

12 (3) The Department of Justice shall forward one copy of the
13 fingerprints to the Federal Bureau of Investigation to verify any
14 record of previous arrests or convictions of the applicant. The
15 Department of Justice shall review the criminal record summary
16 it obtains from the Federal Bureau of Investigation and shall notify
17 the employer only as to whether or not an applicant has any
18 convictions or arrests pending adjudication for offenses that, if
19 committed in California, would have been punishable as a violent
20 or serious felony. The Department of Justice shall not provide any
21 specific offense information received from the Federal Bureau of
22 Investigation. The Department of Justice shall provide written
23 notification to the contract employer only concerning whether an
24 applicant for employment has any conviction or arrest pending
25 final adjudication for any of those crimes, as specified in Section
26 45122.1, but shall not provide any information identifying any
27 offense for which an existing employee was convicted or has an
28 arrest pending final adjudication.

29 (e) (1) An entity having a contract as described in subdivision
30 (a) or that is required to comply with this section for other
31 employees pursuant to subdivision (c) shall not permit an employee
32 to interact with pupils until the Department of Justice has
33 ascertained that the employee has not been convicted of a felony
34 as defined in Section 45122.1.

35 (2) The prohibition in paragraph (1) does not apply to an
36 employee solely on the basis that the employee has been convicted
37 of a felony if the employee has obtained a certificate of
38 rehabilitation and pardon pursuant to Chapter 3.5 (commencing
39 with Section 4852.01) of Title 6 of Part 3 of the Penal Code.

(3) The prohibition in paragraph (1) does not apply to an employee solely on the basis that the employee has been convicted of a serious felony that is not also a violent felony if that employee can prove to the sentencing court of the offense in question, by clear and convincing evidence, that the employee has been rehabilitated for the purposes of schoolsite employment for at least one year. If the offense in question occurred outside this state, then the person may seek a finding of rehabilitation from the court in the local educational agency in which the employee is a resident.

(f) An entity having a contract as described in subdivision (a) or that is required to comply with this section for other employees pursuant to subdivision (c) shall certify in writing to the local educational agency that neither the employer nor any of its employees who are required by this section to submit or have their fingerprints submitted to the Department of Justice and who may interact with pupils have been convicted of a felony as defined in Section 45122.1.

(g) Where reasonable access to the statewide electronic fingerprinting network is available, the Department of Justice may mandate electronic submission of the fingerprint cards and other information required by this section.

(h) (1) For purposes of this section, an individual operating as a sole proprietor of an entity that has a contract with a local educational agency, as described in subdivision (a), shall be considered an employee of that entity.

(2) To protect the safety of any pupil that may interact with an employee of an entity that is a sole proprietorship and has a contract as described in subdivision (a) or that is required to comply with this section for other employees pursuant to subdivision (c), a local educational agency shall prepare and submit the employee's fingerprints to the Department of Justice, as described in subdivision (a).

(i) For purposes of this section, "local educational agency" means a school district, county office of education, or charter school.

~~SEC. 8.~~

SEC. 11. Section 46211 of the Education Code is amended to read:

46211. (a) Beginning July 1, 2025, to address the educational and fiscal impacts of pupil absences, a local educational agency

1 may implement attendance recovery programs for pupils to make
2 up lost instructional time and offset absences, including reducing
3 chronic absenteeism.

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

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

20 (c) Participation in an attendance recovery program shall not
21 be compulsory or punitive for pupils. Pupils concurrently
22 participating in both an attendance recovery program and an
23 expanded learning opportunities program pursuant to Section 46120
24 shall retain their ability to participate in the entirety of an expanded
25 learning opportunities program's offerings pursuant to Section
26 46120 for the duration of the school year.

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

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

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

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

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

32 (2) (A) For the purposes of computing average daily attendance
33 for purposes of this article, the minimum daily instructional minute
34 requirements pursuant to Article 2 (commencing with Section
35 46110) and Article 3 (commencing with Section 46140) apply to
36 all local educational agencies, including charter schools, except
37 for county community schools operated pursuant to Chapter 6.5
38 (commencing with Section 1980) of Part 2 of Division 1 of Title
39 1, continuation high schools operated pursuant to Chapter 3
40 (commencing with Section 48400) of Part 27, juvenile court

1 schools operated pursuant to Article 2.5 (commencing with Section
2 48645) of Chapter 4 of Part 27, and community day schools
3 operated pursuant to Article 3 (commencing with Section 48660)
4 of Chapter 4 of Part 27.

5 (B) Charter schools shall comply with the minimum daily
6 instructional minute requirements for the applicable grade span
7 pursuant to Sections 46112, 46113, 46114, 46117, 46141, and
8 46142.

9 (C) County community schools, continuation high schools,
10 juvenile court schools, and community day schools shall comply
11 with schoolday and instructional minute requirements for the
12 applicable setting pursuant to Sections 1983, 46170, 48653.3, and
13 48663.

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

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

39 (2) (A) For school districts, a pupil is enrolled in a
40 nonclassroom-based program for purposes of this subdivision if

1 the pupil meets the minimum day requirements for independent
2 study and is continually enrolled in independent study for more
3 than 15 schooldays in a school year.

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

11 (3) A charter school that serves pupils pursuant to Section
12 47612.1 shall not participate in an attendance recovery program
13 operated pursuant to this section.

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

18 (i) (1) In consultation with the executive director of the state
19 board, the department shall research local pupil information
20 systems to identify opportunities for local educational agencies to
21 collect and report to the state more nuanced data about the reasons
22 for pupil absences.

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

27 (A) School closures due to emergencies pursuant to Section
28 41422.

29 (B) Schooldays of materially decreased attendance due to
30 emergencies pursuant to Section 46392.

31 (C) Pupil absences due to emergencies pursuant to Section
32 46392, or any other personal or large-scale emergencies.

33 (3) The department shall use the research collected pursuant to
34 this subdivision to develop recommendations to amend existing
35 laws, regulations, guidance, and processes to collect, aggregate,
36 and disaggregate absenteeism data from local educational agencies
37 to provide additional clarity on the causes of pupil absenteeism
38 across the state, including by pupil subgroup. These
39 recommendations shall include steps to calculate an adjusted

1 chronic absenteeism rate that does not include absences due to
2 emergencies pursuant to Section 46392.

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

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

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

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

19 (2) “School year” has the same meaning as described in Section
20 37200.

21 ~~SEC. 9.~~

22 *SEC. 12.* Section 47604.1 of the Education Code is amended
23 to read:

24 47604.1. (a) For purposes of this section, an “entity managing
25 a charter school” means a nonprofit public benefit corporation that
26 operates a charter school consistent with Section 47604. An entity
27 that is not authorized to operate a charter school pursuant to Section
28 47604 is not an “entity managing a charter school” solely because
29 it contracts with a charter school to provide to that charter school
30 goods or task-related services that are performed at the direction
31 of the governing body of the charter school and for which the
32 governing body retains ultimate decisionmaking authority.

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

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

1 with Section 11120) of Chapter 1 of Part 1 of Division 3 of Title
2 2 of the Government Code) regardless of the authorizing entity.

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

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

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

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

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

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

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

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

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

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

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

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

39 (3) (A) For a governing body of an entity managing one or
40 more charter schools located within the same county, the governing

1 body of the entity managing a charter school shall meet within the
2 physical boundaries of the county in which that charter school or
3 schools are located.

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

6 (4) (A) For a governing body of an entity that manages two or
7 more charter schools that are not located in the same county, the
8 governing body of the entity managing the charter schools shall
9 meet within the physical boundaries of the county in which the
10 greatest number of pupils enrolled in those charter schools managed
11 by that entity reside.

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

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

18 (5) This subdivision does not limit the authority of the governing
19 body of a charter school and an entity managing a charter school
20 to meet outside the boundaries described in this subdivision if
21 authorized by Section 54954 of the Government Code, and the
22 meeting place complies with Section 54961 of the Government
23 Code.

24 (d) Notwithstanding Article 4 (commencing with Section 1090)
25 of Chapter 1 of Division 4 of Title 1 of the Government Code, an
26 employee of a charter school shall not be disqualified from serving
27 as a member of the governing body of the charter school because
28 of that employee's employment status. A member of the governing
29 body of a charter school who is also an employee of the charter
30 school shall abstain from voting on, or influencing or attempting
31 to influence another member of the governing body regarding, all
32 matters uniquely affecting that member's employment.

33 (e) To the extent a governing body of a charter school or an
34 entity managing a charter school engages in activities that are
35 unrelated to a charter school, Article 4 (commencing with Section
36 1090) of Chapter 1 of Division 4 of Title 1 of the Government
37 Code, the Ralph M. Brown Act (Chapter 9 (commencing with
38 Section 54950) of Part 1 of Division 2 of Title 5 of the Government
39 Code), the Bagley-Keene Open Meeting Act (Article 9
40 (commencing with Section 11120) of Chapter 1 of Part 1 of

1 Division 3 of Title 2 of the Government Code), the California
2 Public Records Act (Division 10 (commencing with Section
3 7920.000) of Title 1 of the Government Code), and the Political
4 Reform Act of 1974 (Title 9 (commencing with Section 81000)
5 of the Government Code) shall not apply with regard to those
6 unrelated activities unless otherwise required by law.

7 (f) A meeting of the governing body of a charter school to
8 discuss items related to the operation of the charter school shall
9 not include the discussion of any item regarding an activity of the
10 governing body that is unrelated to the operation of the charter
11 school.

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

14 ~~SEC. 10.~~

15 *SEC. 13.* Section 47604.3 of the Education Code is amended
16 to read:

17 47604.3. A charter school and an entity managing a charter
18 school shall promptly respond to all reasonable inquiries, including,
19 but not limited to, inquiries regarding its respective financial
20 records and contracts, from its chartering authority, the county
21 office of education that has jurisdiction over the charter school's
22 chartering authority, or from the Superintendent and shall consult
23 with the chartering authority, the county office of education, or
24 the Superintendent regarding any inquiries.

25 ~~SEC. 11.~~

26 *SEC. 14.* Section 47604.32 of the Education Code is amended
27 to read:

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

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

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

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

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

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

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

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

13 (B) The charter is revoked.

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

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

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

21 ~~SEC. 12.~~

22 *SEC. 15.* Section 47604.5 of the Education Code is amended
23 to read:

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

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

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

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

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

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

~~SEC. 13.~~

SEC. 16. Section 47605 of the Education Code is amended to read:

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

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

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

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

(3) A petition shall include a prominent statement that a signature on the petition means that the parent or legal guardian is meaningfully interested in having their child or ward attend the charter school, or in the case of a teacher's signature, means that

1 the teacher is meaningfully interested in teaching at the charter
2 school. The proposed charter shall be attached to the petition.

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

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

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

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

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

32 (C) Notwithstanding subparagraph (A), if a charter school was
33 relocated from December 31, 2016, to December 31, 2019,
34 inclusive, due to a Presidential declaration of a major disaster or
35 emergency in accordance with the federal Robert T. Stafford
36 Disaster Relief and Emergency Assistance Act (42 U.S.C. Sec.
37 5121 et seq.), that charter school shall be allowed to return to its
38 original campus location in perpetuity.

39 (D) (i) A charter school in operation and providing educational
40 services to pupils before October 1, 2019, located on a federally

1 recognized California Indian reservation or rancheria or operated
2 by a federally recognized California Indian tribe shall be exempt
3 from the geographic restrictions of paragraph (1) and subparagraph
4 (A) of this paragraph and the geographic restrictions of subdivision
5 (a) of Section 47605.1.

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

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

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

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

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

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

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

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

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

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

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

(A) (i) The educational program of the charter school, designed, among other things, to identify those whom the charter school is attempting to educate, what it means to be an “educated person”

1 in the 21st century, and how learning best occurs. The goals
2 identified in that program shall include the objective of enabling
3 pupils to become self-motivated, competent, and lifelong learners.

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

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

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

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

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

1 (E) The qualifications to be met by individuals to be employed
2 by the charter school.

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

6 (i) That each employee of the charter school furnish the charter
7 school with a criminal record summary as described in Section
8 44237.

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

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

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

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

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

39 (J) The procedures by which pupils can be suspended or expelled
40 from the charter school for disciplinary reasons or otherwise

1 involuntarily removed from the charter school for any reason.
2 These procedures, at a minimum, shall include an explanation of
3 how the charter school will comply with federal and state
4 constitutional procedural and substantive due process requirements
5 that are consistent with all of the following:

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

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

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

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

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

holder, attorney, or county social worker, or the Indian child's tribal social worker or, if applicable, county social worker initiates the procedures specified in clause (ii), the pupil shall remain enrolled and shall not be removed until the charter school issues a final decision. For purposes of this clause, "involuntarily removed" includes disenrolled, dismissed, transferred, or terminated, but does not include suspensions specified in clauses (i) and (ii).

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

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

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

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

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

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

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

(7) The charter school is demonstrably unlikely to serve the interests of the entire community in which the school is proposing to locate. Analysis of this finding shall include consideration of the fiscal impact of the proposed charter school. A written factual

1 finding under this paragraph shall detail specific facts and
2 circumstances that analyze and consider the following factors:

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

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

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

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

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

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

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

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

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

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

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

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

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

33 (3) If a pupil is expelled or leaves the charter school without
34 graduating or completing the school year for any reason, the charter
35 school shall notify the superintendent of the school district of the
36 pupil's last known address within 30 days, and shall, upon request,
37 provide that school district with a copy of the cumulative record
38 of the pupil, including report cards or a transcript of grades, and
39 health information. If the pupil is subsequently expelled or leaves
40 the school district without graduating or completing the school

1 year for any reason, the school district shall provide this
2 information to the charter school within 30 days if the charter
3 school demonstrates that the pupil had been enrolled in the charter
4 school. This paragraph applies only to pupils subject to compulsory
5 full-time education pursuant to Section 48200.

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

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

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

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

- 28 (i) When a parent, guardian, or pupil inquires about enrollment.
- 29 (ii) Before conducting an enrollment lottery.
- 30 (iii) Before disenrollment of a pupil.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 the appeal, and shall either hear the appeal or summarily deny
2 review of the appeal based on the documentary record at a regular
3 public meeting of the state board.

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

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

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

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

38 (6) If either the county board of education or the state board
39 fails to act on a petition within 180 days of receipt, the decision

1 of the governing board of the school district to deny the petition
2 shall be subject to judicial review.

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

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

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

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

37 (n) A charter school may encourage parental involvement, but
38 shall notify the parents and guardians of applicant pupils and
39 currently enrolled pupils that parental involvement is not a

1 requirement for acceptance to, or continued enrollment at, the
2 charter school.

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

5 *SEC. 17. Section 47605.05 is added to the Education Code, to*
6 *read:*

7 *47605.05. It is the intent of the Legislature to establish a*
8 *statewide charter school oversight entity.*

9 ~~SEC. 14.~~

10 *SEC. 18.* Section 47605.1 of the Education Code is amended
11 to read:

12 47605.1. (a) (1) Notwithstanding any other law, a charter
13 school that is granted a charter from the governing board of a
14 school district or county office of education after July 1, 2002, and
15 commences providing educational services to pupils on or after
16 July 1, 2002, shall locate in accordance with the geographic and
17 site limitations of this part.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

37 (2) Federally affiliated Youth Build programs.

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

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

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

~~SEC. 15.~~

SEC. 19. Section 47612.5 of the Education Code is amended to read:

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

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

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

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

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

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

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

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

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

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

1 by grade level, the sum of that apportionment multiplied by the
2 percentage of the minimum number of minutes of instruction at
3 each grade level that the charter school failed to offer.

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

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

39 (3) A charter school that offers flex-based instruction in excess
40 of the amount authorized by paragraph (1) of subdivision (e) is

1 subject to the determination for funding requirement of Section
2 47634.2 to receive funding each time its charter is renewed or
3 materially revised pursuant to Section 47607. A charter school
4 that materially revises its charter to offer flex-based instruction in
5 excess of the amount authorized by paragraph (1) of subdivision
6 (e) is subject to the determination for funding requirement of
7 Section 47634.2.

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

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

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

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

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

36 ~~SEC. 16.~~

37 *SEC. 20.* Section 47612.7 of the Education Code is amended
38 to read:

39 47612.7. (a) Notwithstanding any other law and except as
40 provided in subdivision (b), from January 1, 2020, to January 1,

1 2026, inclusive, the approval of a petition for the establishment of
2 a new flex-based charter school, as defined in paragraph (3) of
3 subdivision (e) of Section 47612.5, is prohibited.

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

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

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

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

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

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

37 ~~SEC. 17.~~

38 *SEC. 21.* Section 47613 of the Education Code is amended to
39 read:

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

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

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

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

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

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

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

29 ~~SEC. 18.~~

30 *SEC. 22.* Section 47614.5 of the Education Code is amended
31 to read:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

29 (d) For purposes of this section:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

10 ~~SEC. 19.~~

11 *SEC. 23.* Section 47616.7 of the Education Code is amended
12 to read:

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

19 ~~SEC. 20.~~

20 *SEC. 24.* Section 47634.2 of the Education Code is amended
21 to read:

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

1 ~~Section 47612.5, benefits, the amount of the charter school's total~~
2 ~~budget expended on instruction and related services, including~~
3 ~~the total amount expended on any facilities used for instruction~~
4 ~~and related services, and the teacher-to-pupil ratio in the school.~~

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

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

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

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

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

34 (d) Notwithstanding any other law, charter schools shall be
35 subject, with regard to subdivisions (c) to (e), inclusive, of Section
36 47612.5 and this section, to audits conducted pursuant to Section
37 41020.

38 (e) On or before May 31, 2027, the state board shall review and
39 ~~revise regulations~~ ~~regulations, to commence with the 2027–28~~

1 *fiscal year*, governing the funding determination process for
2 flex-based charter schools to be consistent with all of the following:

3 (1) Assess whether data submitted by a charter school is
4 consistent with its annual independent financial audit for the year
5 of the funding determination, if available. If the information in the
6 funding determination form is not consistent with the information
7 reported in its annual independent financial audit, charter schools
8 shall provide clarification and backup documents along with their
9 form.

10 (2) Whenever feasible, the funding determination process relies
11 on data that is available to the department through audits or other
12 data reported by the charter school's audited data and the
13 department avoids requesting duplicate information from a charter
14 school when audited data is available.

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

22 (4) *A charter school may exclude restricted grants or funds,*
23 *which may include local, state, or federal funds, from the*
24 *calculations of the percentage of school revenues spent on*
25 *certificated salaries and benefits and the percentage of school*
26 *revenues spent on instruction and related services.*

27 ~~(4)~~

28 (5) A charter school may count as instructional related expenses
29 any funds spent on resource centers or site-based instructional
30 facilities used primarily for purposes of in-person instruction and
31 pupil support services, including, but not limited to, tutoring,
32 counseling, special education services, libraries, and performing
33 arts facilities.

34 ~~(5)~~

35 (6) A charter school shall report the amount and classification
36 of its reserves on funding determination forms consistent with state
37 accounting categories of assigned, unassigned, restricted,
38 committed, and nonspendable.

39 ~~(6)~~

(7) A charter school may exclude from their revenue any net increase to their ~~reserve for economic uncertainties~~, reserves if the charter school has ~~an unassigned fund balance~~ reserves that ~~represents~~ represent less than 10 percent of their annual expenditures. *This excluded amount shall not exceed 5 percent of a charter school's total revenue in any one year.*

~~(7)~~

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

~~(8)~~

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

(f) Commencing with 2027–28 fiscal year, the state board's Advisory Commission on Charter Schools shall recommend to the state board the approval of a funding determination request submitted by a charter school consistent with all of the following:

(1) (A) Approval of the request at 70 percent, if both of the following criteria are met, unless there is a reasonable basis to recommend otherwise:

(i) The percentage calculated for certificated employee salaries and benefits equals at least 35 percent but less than 40 percent.

(ii) The percentage calculated for total expenditures on instruction and related services equals at least 60 percent but less than 70 percent.

(B) If the recommended percentage made pursuant to this paragraph is lower than the requested percentage, the recommendation shall include the reasons justifying the reduction, and, if appropriate, a description of how any deficiencies or problems can be addressed by the charter school.

(2) (A) Approval of the request at 85 percent, unless there is a reasonable basis to recommend otherwise, if both of the following criteria are met:

(i) The percentage calculated for certificated employee salaries and benefits equals at least 40 percent.

1 (ii) *The percentage calculated for total expenditures on*
2 *instruction and related services equals at least 70 percent but less*
3 *than 80 percent.*

4 (B) *A recommendation made pursuant to this paragraph shall*
5 *include the reasons justifying a percentage that is greater than 70*
6 *percent or if the recommended percentage is lower than the*
7 *requested percentage, the reasons justifying the reduction, and, if*
8 *appropriate, a description of how any deficiencies or problems*
9 *can be addressed by the charter school.*

10 (3) *Approval of the request at 100 percent, unless there is a*
11 *reasonable basis to recommend less, if all of the following criteria*
12 *are met:*

13 (A) *The percentage calculated for certificated employee salaries*
14 *and benefits equals at least 40 percent.*

15 (B) *The percentage calculated for total expenditures on*
16 *instruction and related services equals at least 80 percent.*

17 (C) *The ratio of average daily attendance for independent study*
18 *pupils to full-time certificated employees responsible for*
19 *independent study does not exceed the ratio specified in section*
20 *51745.6.*

21 (4) *A school that fails to meet at least one of the spending*
22 *thresholds specified in paragraphs (1) to (3), inclusive, the*
23 *percentage calculated for certificated employee salaries and*
24 *benefits is less than 35 percent, or the percentage calculated for*
25 *total expenditures on instruction and related services is less than*
26 *60 percent, the state board shall reduce funding to zero if it*
27 *includes the reasons justifying the reduction, which shall include*
28 *both of the following:*

29 (A) *The reasons justifying the denial or reduction and, if*
30 *appropriate, a description of how any deficiencies or problems*
31 *can be addressed by the charter school.*

32 (B) *A finding that the reduction is justified due to the*
33 *nonclassroom-based instruction not being substantially dedicated*
34 *to the instructional benefit of the pupils, which may include, but*
35 *not be limited to, a finding of demonstrable financial abuse,*
36 *profiteering, or grossly excessive administrative expenses.*

37 (5) *A reasonable basis for the Advisory Commission on Charter*
38 *Schools to make, and the state board or approve, a*
39 *recommendation higher than one that results from the criteria*
40 *described in paragraph (1) or (2) includes, but is not limited to,*

1 *documented data regarding the individual circumstances of the*
2 *charter school, which may be related to the following: one-time,*
3 *unique, or exceptional expenses for facilities, the acquisition of*
4 *one or more school buses, the acquisition and installation of*
5 *computer hardware, software systems, or other operational*
6 *investments not related to the instructional program, special*
7 *education charges levied on the charter school by a local*
8 *educational agency, additional reserves beyond the amount*
9 *specified in paragraph (7) of subdivision (e) with sound*
10 *justification, or other emergency or unanticipated circumstances*
11 *experienced by the charter school that would otherwise result in*
12 *an unwarranted reduction to the charter schools' funding. In order*
13 *to increase funding above the percentages determined in paragraph*
14 *(1) or (2), the state board shall adopt a finding, or findings, in a*
15 *public hearing stating the reason or reasons for their*
16 *determination. A charter school granted an increase in the funding*
17 *determination based on mitigating circumstances shall receive a*
18 *funding determination not to exceed two years.*

19 *(g) Commencing with the 2027–28 fiscal year, all of the*
20 *following shall apply to a funding determination approved by the*
21 *state board:*

22 *(1) An approved determination of funding for a new charter*
23 *school in its first year of operation shall be submitted by December*
24 *1 and shall be for two fiscal years. Within 90 days after the end*
25 *of its first fiscal year of operation, a charter school shall submit*
26 *unaudited actual expense reports and a funding determination*
27 *form based on the charter school's actual second-year budget. If*
28 *the Advisory Commission on Charter Schools determines that the*
29 *actual expenditures of the charter school or the second-year*
30 *funding determination form do not support the funding*
31 *determination for the second year, the Advisory Commission on*
32 *Charter Schools shall recommend that the state board revise the*
33 *funding determination. The Advisory Commission on Charter*
34 *Schools and the board shall give charter schools that are in their*
35 *first year of operation serious consideration of full funding.*

36 *(2) Charter schools that are part of a network of flex-based*
37 *charter schools shall apply for a funding determination within the*
38 *same fiscal year and each charter school within the network shall*
39 *be considered by the state board at the same hearing. The*
40 *department shall determine the year based on the furthest funding*

1 *determination date within the network, but no later than 5 years*
2 *after the network is identified.*

3 *(3) Notwithstanding paragraph (1), a funding determination*
4 *for a charter school shall be for five years unless the state board*
5 *finds reasonable cause, supported by evidence and findings related*
6 *to the charter school, to impose a shorter term of approval.*

7 *(4) A charter school shall concurrently submit its funding*
8 *determination form to its chartering authority. The chartering*
9 *authority shall review the form and notify the department of any*
10 *concerns with the form, including, but not limited to, discrepancies*
11 *with the data submitted.*

12 *(5) The state board may terminate or amend the term of a*
13 *determination of funding if updated or additional information*
14 *requested by the department or the advisory commission pursuant*
15 *to this section is not made available by a charter school within a*
16 *reasonable amount of time or if credible information from any*
17 *source supports amendment or termination. The charter school*
18 *shall have a reasonable amount of time prior to the board hearing*
19 *on a termination of funding or term amendment to provide*
20 *additional information to support the charter school's*
21 *determination of funding.*

22 *(h) For purposes of this section, a "network of flex-based*
23 *charter schools" means two or more flex-based charter schools,*
24 *as defined pursuant to paragraph (3) of subdivision (e) of Section*
25 *47612.5, that meet one or more of the following:*

26 *(1) Have a shared governance or management structure,*
27 *including providing substantial business services and having*
28 *supervisors and managers who typically function on a multischool*
29 *level, and oversee, evaluate, or control teaching assignments,*
30 *control class rosters, or discipline teachers across multiple schools*
31 *within the network.*

32 *(2) Are under the control of the same corporate or legal entity,*
33 *or are controlled by legal entities wherein a majority of the*
34 *corporate directors are appointed or elected by another common*
35 *entity.*

36 ~~SEC. 21.~~

37 ~~SEC. 25.~~ Section 51744 of the Education Code is amended to
38 read:

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

1 nonclassroom-based, hybrid, and flex-based programs, local
2 educational agencies can better tailor instruction to pupils, thereby
3 improving academic outcomes while maximizing enrollment.

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

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

12 ~~SEC. 22.~~

13 *SEC. 26.* Section 51745.6 of the Education Code is amended
14 to read:

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

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

1 agreement contains an alternative average daily attendance ratio.
2 The computation of the ratios shall be performed annually by the
3 reporting agency at the time of, and in connection with, the second
4 principal apportionment report to the Superintendent.

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

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

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

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

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

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

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

16 ~~SEC. 23.~~

17 *SEC. 27.* Section 51747 of the Education Code is amended to
18 read:

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

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

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

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

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

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

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

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

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

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

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

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

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

(4) A clear standard for requiring a pupil-parent-educator conference to review a pupil's written agreement, and reconsider

1 the independent study program's impact on the pupil's achievement
2 and well-being, consistent with the policies adopted pursuant to
3 paragraph (4) of subdivision (g).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 professionals of the need for pupils to participate in independent
2 study pursuant to this subdivision.

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

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

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

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

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

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

6 ~~SEC. 24.~~

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

10
11 Article 11. Audit Provisions
12

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

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

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

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

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

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

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

5 ~~SEC. 25.~~

6 SEC. 29. Article 11.5 (commencing with Section 51827) is
7 added to Chapter 5 of Part 28 of Division 4 of Title 2 of the
8 Education Code, to read:

9
10 Article 11.5. Educational Support Vendors
11

12 51827. (a) A local educational agency may only enter into an
13 agreement for educational support activities meant to enhance a
14 pupil's program with a vendor that is vetted and approved pursuant
15 to subdivisions (b) to (d), inclusive.

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

20 (c) A local educational agency may expend public funds for
21 educational support activities, provided that all educational support
22 activities, materials, and programs are nonsectarian.

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

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

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

32 (3) Require that before commencing services, all vendor
33 personnel interacting with pupils have a valid criminal records
34 summary, as described in Section 45125.1, and require that if the
35 vendor performs the criminal background check, it shall
36 immediately provide subsequent arrest and conviction information
37 it receives to the local educational agency pursuant to the
38 subsequent arrest service.

39 (4) Require all vendors to have policies and procedures related
40 to pupil and site safety, including in virtual settings, emergency

1 response, and accident reporting that are reasonable for the
2 instruction or activity.

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

5 (6) Prohibit the local educational agency from paying a vendor
6 for, or reimbursing a parent or pupil for the cost of, educational
7 support activities before approval.

8 (7) Prohibit a vendor from requiring additional fees as a
9 condition of service, including, but not limited to, fees for
10 registration or facility use, to be paid by the pupil's parent or
11 guardian, if the pupil is less than 18 years of age, or from the pupil,
12 if the pupil is 18 years of age or older.

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

17 (f) Auditing of the approval of, and compliance with, policies
18 enacted in accordance with subdivisions (b) to (d), inclusive, shall
19 be included in the audit guide, Standards and Procedures for Audits
20 of California K–12 Local Educational Agencies, described in
21 Section 14502.1.

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

23 (1) "Educational support activity" means any component of a
24 pupil's educational program, other than those required pursuant
25 to a pupil's individualized educational program, that is paid for
26 with school funds and that includes direct pupil contact, including
27 in-person or online contact, or contact through any electronic
28 device, with a person not employed by the local educational
29 agency.

30 (2) "Local educational agency" means a county office of
31 education, school district, or charter school.

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

33 ~~SEC. 26.~~

34 *SEC. 30.* If the Commission on State Mandates determines that
35 this act contains costs mandated by the state, reimbursement to
36 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