

ASSEMBLY BILL

No. 440

Introduced by Assembly Member Brownley

February 14, 2011

An act to amend Sections 14502.1, 47604, 47605, 47605.6, and 47607 of, and to add Section 47630.6 to, the Education Code, relating to charter schools.

LEGISLATIVE COUNSEL'S DIGEST

AB 440, as introduced, Brownley. Charter schools.

(1) 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. Existing law requires the Controller to propose the content of an audit guide and authorizes a supplement to the audit guide to be suggested in the audit year to address issues resulting from new legislation in that year that changes the conditions of apportionment. Existing law requires the Controller to submit the proposed content of the audit guide and any supplement to the Education Audits Appeal Panel for review and possible amendment and requires the Education Audits Appeal Panel to adopt the audit guide and any supplement pursuant to the rulemaking procedures of the Administrative Procedure Act.

This bill would require the Controller to propose, and the Education Audits Appeal Panel to adopt, a charter school supplement to the audit guide in order to provide guidance to auditors regarding which sections of the school district and county office of education audit guide apply to charter schools and to create specific guidance related to the unique nature of charter schools. The bill also would make conforming changes.

(2) The Charter Schools Act of 1992 (Charter Schools Act) allows a charter school to elect to operate as, or be operated by, a nonprofit public benefit corporation, as specified.

This bill would impose a state-mandated local program by requiring a charter school operating as, or operated by, a for-profit corporation to notify the Superintendent of Public Instruction of that fact in writing annually.

(3) The Charter Schools Act specifies the procedures for the submission, review, and approval or denial of a petition to establish a standard or countywide charter school. The act allows the governing board of a school district to deny a charter petition only if the board makes written factual findings that support certain facts regarding the petition. The act requires a county board of education to deny a petition to establish a countywide charter school if the board makes any of several specified factual findings.

This bill, in addition, would allow a governing board of a school district to deny a petition and would require a county board of education to deny a petition for a countywide charter, if it makes a written factual finding that the petitioner has operated another charter school for at least 3 consecutive years and one of several specified events has occurred.

(4) The Charter Schools Act limits the duration of charters to a period not to exceed 5 years and authorizes the chartering authority to grant one or more subsequent renewals for an additional period of 5 years. The act prescribes the requirements a charter school must comply with in order to have its charter renewed, including a requirement that a charter school that has been in operation for 4 years satisfy at least one of several specified criteria regarding academic performance.

This bill would authorize a charter renewal to be for a period of 1 to 5 years. The bill would require a chartering authority to consider, as one factor in determining whether to grant a renewal, the degree to which a charter school serves pupil populations that are similar to local school district pupil populations, especially with regard to high-need pupils, as specified. The bill would delete one of the criteria for the requirement regarding charter schools in operation for 4 years. The bill would prohibit a chartering authority from granting a renewal of a charter school for longer than a 3-year period if that charter school is in program improvement or has entered into year 5 of program improvement, has not exited program improvement, and did not meet Adequate Yearly Progress in the year prior to the renewal year.

(5) The Charter Schools Act requires a charter petition to include a reasonably comprehensive description of the manner in which annual, independent financial audits will be conducted. The act requires a charter school to transmit a copy of its annual, independent financial audit report for the preceding fiscal year to its chartering entity, the Controller, the county superintendent of schools of the county in which the charter school is sited, except as specified, and the State Department of Education by December 15 of each year.

This bill would require the Controller, by December 31 of each fiscal year, to publish a directory of certified public accountants and public accountants, licensed by the California Board of Accountancy, deemed by the Controller to be qualified to conduct audits of charter schools. The bill would require each audit of a charter school to be conducted by a certified public accountant or public accountant selected by the charter school from the directory. The bill would specify that it is unlawful for a public accounting firm to provide audit services to a charter school if the lead audit partner, or coordinating audit partner, having primary responsibility for the audit, or the audit partner responsible for reviewing the audit, has performed audit services for that charter school in each of the 6 previous fiscal years, except as provided.

(6) 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 these statutory provisions.

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. It is the intent of the Legislature in enacting this
- 2 act to do all of the following:
- 3 (a) Ensure successful conditions for high-performing and
- 4 high-quality charter schools and encourage high levels of academic
- 5 performance and sound fiscal management practices among charter
- 6 schools.

1 (b) Implement accountability standards for charter schools that
2 will ensure that all charter schools are of high quality.

3 (c) Ensure successful conditions for high-performing charter
4 schools by setting academic achievement targets as a condition of
5 charter renewal, accountability standards to identify charter schools
6 that are not high quality, and evaluation standards to determine
7 whether entities operating multiple charter schools are establishing
8 and operating high-quality charter schools.

9 (d) Establish fiscal management standards for charter schools
10 that are as rigorous as those for other schools and school districts,
11 in order to ensure the most efficient and effective use of public
12 funds for the education of children in California.

13 (e) Ensure successful conditions for high-performing charter
14 schools by setting standards for the auditing of, and financial
15 reporting by, charter schools so as to provide for the transparent
16 use of public funds.

17 (f) Require a charter school authorizer to consider during a
18 charter school renewal whether a charter school has intentionally
19 targeted high-achieving pupils to attend the charter school and
20 whether the charter school's population generally reflects a similar
21 proportion of low-achieving pupils as the local school district pupil
22 population, especially high-need pupils, including, but not limited to,
23 pupils with disabilities, pupils living in poverty, and English
24 learners.

25 SEC. 2. Section 14502.1 of the Education Code is amended to
26 read:

27 14502.1. (a) The Controller, in consultation with the
28 Department of Finance and the State Department of Education,
29 shall develop a plan to review and report on financial and
30 compliance audits. The plan shall commence with the 2003–04
31 fiscal year for audits of school districts, other local education
32 agencies, and the offices of county superintendents of schools.
33 The Controller, in consultation with the Department of Finance,
34 the State Department of Education, and representatives of the
35 California School Boards Association, the California Association
36 of School Business Officials, the California County
37 Superintendents Educational Service Association, the California
38 Teachers Association, the California Society of Certified Public
39 Accountants, shall recommend the statements and other information
40 to be included in the audit reports filed with the state, and shall

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

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

1 timetables for the development of the suggested audit guide, any
2 supplement, and the format for additions, deletions, and revisions.

3 (c) For the audit of school districts or county offices of education
4 electing to take formal action pursuant to Sections 22714, 22714.5
5 (*as it read prior to January 1, 2005*), 44929, and 44929.1 (*as it*
6 *read prior to January 1, 2005*), the audit guide content proposed
7 by the Controller shall include, but not be limited to, the following:

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

9 (2) The age and service credit of the retirees receiving the
10 additional service credit provided by Sections ~~22714, 22714.5,~~
11 *22714, 22714.5 (as it read prior to January 1, 2005)*, 44929, and
12 *44929.1 (as it read prior to January 1, 2005)*.

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

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

18 (d) The Controller shall annually prepare a cost analysis, based
19 on the information included in the audit reports for the prior fiscal
20 year, to determine the net savings or costs resulting from formal
21 actions taken by school districts and county offices of education
22 pursuant to Sections 22714, 22714.5 (*as it read prior to January*
23 *1, 2005*), 44929, and 44929.1 (*as it read prior to January 1, 2005*),
24 and shall report the results of the cost analysis to the Governor and
25 the Legislature by April 1 of each year.

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

28 ~~(f) This section shall become operative July 1, 2003 and shall~~
29 ~~apply to the preparation of the audit guide for school district audits~~
30 ~~commencing with the 2003-04 fiscal year.~~

31 (*f) Pursuant to subdivisions (a) and (b), the Controller shall*
32 *propose, and the Education Audits Appeal Panel shall adopt, a*
33 *charter school supplement to the audit guide to provide guidance*
34 *on the sections of the school district and county office audit guide*
35 *that apply to charter schools and to provide specific guidance on*
36 *the unique nature of charter schools. In developing the charter*
37 *school supplement, the Controller shall consult with representatives*
38 *of the following organizations:*

39 (1) *Organizations specified in subdivision (a).*

40 (2) *The California Charter Schools Association.*

1 (3) *Other charter school organizations, as appropriate.*

2 SEC. 3. Section 47604 of the Education Code is amended to
3 read:

4 47604. (a) Charter schools may elect to operate as, or be
5 operated by, a nonprofit public benefit corporation, formed and
6 organized pursuant to the Nonprofit Public Benefit Corporation
7 Law (Part 2 (commencing with Section 5110) of Division 2 of
8 Title 1) of the Corporations Code).

9 (b) The governing board of a school district that grants a charter
10 for the establishment of a charter school formed and organized
11 pursuant to this section shall be entitled to a single representative
12 on the board of directors of the nonprofit public benefit corporation.

13 (c) An authority that grants a charter to a charter school to be
14 operated by, or as, a nonprofit public benefit corporation is not
15 liable for the debts or obligations of the charter school, or for
16 claims arising from the performance of acts, errors, or omissions
17 by the charter school, if the authority has complied with all
18 oversight responsibilities required by law, including, but not limited
19 to, those required by Section 47604.32 and subdivision (m) of
20 Section 47605.

21 (d) *A charter school operated as, or operated by, a for-profit*
22 *corporation shall notify the Superintendent of that fact in writing*
23 *annually.*

24 SEC. 4. Section 47605 of the Education Code is amended to
25 read:

26 47605. (a) (1) Except as set forth in paragraph (2), a petition
27 for the establishment of a charter school within a school district
28 may be circulated by one or more persons seeking to establish the
29 charter school. A petition for the establishment of a charter school
30 shall identify a single charter school that will operate within the
31 geographic boundaries of that school district. A charter school
32 may propose to operate at multiple sites within the school district,
33 as long as each location is identified in the charter school petition.
34 The petition may be submitted to the governing board of the school
35 district for review after either of the following conditions are met:

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

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

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

13 (3) A petition shall include a prominent statement that a
14 signature on the petition means that the parent or legal guardian
15 is meaningfully interested in having his or her child or ward attend
16 the charter school, or in the case of a teacher's signature, means
17 that the teacher is meaningfully interested in teaching at the charter
18 school. The proposed charter shall be attached to the petition.

19 (4) After receiving approval of its petition, a charter school that
20 proposes to establish operations at one or more additional sites
21 shall request a material revision to its charter and shall notify the
22 authority that granted its charter of those additional locations. The
23 authority that granted its charter shall consider whether to approve
24 those additional locations at an open, public meeting. ~~If the~~
25 ~~additional locations are approved, they shall be~~ *The approval of*
26 *additional locations of a charter school constitutes* a material
27 ~~revision to the charter school's of its charter.~~

28 (5) A charter school that is unable to locate within the
29 jurisdiction of the chartering school district may establish one site
30 outside the boundaries of the school district, but within the county
31 in which that school district is located, if the school district within
32 the jurisdiction of which the charter school proposes to operate is
33 notified in advance of the charter petition approval, the county
34 superintendent of schools and the Superintendent are notified of
35 the location of the charter school before it commences operations,
36 and either of the following circumstances exist:

37 (A) The school has attempted to locate a single site or facility
38 to house the entire program, but a site or facility is unavailable in
39 the area in which the school chooses to locate.

1 (B) The site is needed for temporary use during a construction
2 or expansion project.

3 (6) Commencing January 1, 2003, a petition to establish a charter
4 school may not be approved to serve pupils in a grade level that
5 is not served by the school district of the governing board
6 considering the petition, unless the petition proposes to serve pupils
7 in all of the grade levels served by that school district.

8 (b) No later than 30 days after receiving a petition, in accordance
9 with subdivision (a), the governing board of the school district
10 shall hold a public hearing on the provisions of the charter, at
11 which time the governing board of the school district shall consider
12 the level of support for the petition by teachers employed by the
13 district, other employees of the district, and parents. Following
14 review of the petition and the public hearing, the governing board
15 of the school district shall either grant or deny the charter within
16 60 days of receipt of the petition, ~~provided, however, that the date.~~
17 *The 60-day period may be extended by an additional 30 days if*
18 ~~both parties the governing board and the proponents of the petition~~
19 *agree to the extension.* In reviewing petitions for the establishment
20 of charter schools pursuant to this section, the chartering authority
21 shall be guided by the intent of the Legislature that charter schools
22 are and should become an integral part of the California educational
23 system and that establishment of charter schools should be
24 encouraged. The governing board of the school district shall grant
25 a charter for the operation of a school under this part if it is satisfied
26 that granting the charter is consistent with sound educational
27 practice. The governing board of the school district shall not deny
28 a petition for the establishment of a charter school unless it makes
29 written factual findings, specific to the particular petition, setting
30 forth specific facts to support one or more of the following
31 findings:

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

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

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

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

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

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

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

(B) The measurable pupil outcomes identified for use by the charter school. “Pupil outcomes,” for purposes of this part, means the extent to which all pupils of the school demonstrate that they have attained the skills, knowledge, and attitudes specified as goals in the school’s educational program.

(C) The method by which pupil progress in meeting those pupil outcomes is to be measured.

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

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

(F) The procedures that the school will follow to ensure the health and safety of pupils and staff. These procedures shall include the requirement that each employee of the school furnish the school with a criminal record summary as described in Section 44237.

(G) The means by which the school will achieve a racial and ethnic balance among its pupils that is reflective of the general population residing within the territorial jurisdiction of the school district to which the charter petition is submitted.

(H) Admission requirements, if applicable.

1 (I) The manner in which annual, independent financial audits
2 shall be conducted, which shall employ ~~generally accepted~~
3 ~~accounting principles~~ *government auditing standards*, and the
4 manner in which audit exceptions and deficiencies shall be resolved
5 to the satisfaction of the chartering authority, *consistent with the*
6 *supplement to the audit guide adopted pursuant to subdivision (f)*
7 *of Section 14502.1.*

8 (J) The procedures by which pupils can be suspended or
9 expelled.

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

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

15 (M) A description of the rights of any employee of the school
16 district upon leaving the employment of the school district to work
17 in a charter school, and of any rights of return to the school district
18 after employment at a charter school.

19 (N) The procedures to be followed by the charter school and
20 the entity granting the charter to resolve disputes relating to
21 provisions of the charter.

22 (O) A declaration whether or not the charter school shall be
23 deemed the exclusive public school employer of the employees of
24 the charter school for the purposes of Chapter 10.7 (commencing
25 with Section 3540) of Division 4 of Title 1 of the Government
26 Code.

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

32 (6) *The petitioner has operated another charter school for at*
33 *least three consecutive years and any of the following have*
34 *occurred:*

35 (A) *The charter school demonstrated academic achievement*
36 *equivalent to a persistently lowest-achieving school as set forth*
37 *in Section 53200.*

38 (B) *The charter school completed its first renewal cycle and*
39 *was not renewed by the authorizing entity, the county board of*
40 *education, or the state board.*

1 (C) *The charter school had its charter revoked, and the charter*
2 *was not restored by the county board of education or the state*
3 *board.*

4 (c) (1) Charter schools shall meet all statewide standards and
5 conduct the pupil assessments required pursuant to Sections 60605
6 and 60851 and any other statewide standards authorized in statute
7 or pupil assessments applicable to pupils in noncharter public
8 schools.

9 (2) Charter schools shall, ~~on a regular basis,~~ consult, *on a*
10 *regular basis*, with their parents, legal guardians, and teachers
11 regarding the school's educational programs.

12 (d) (1) In addition to any other requirement imposed under this
13 part, a charter school shall be nonsectarian in its programs,
14 admission policies, employment practices, and all other operations,
15 shall not charge tuition, and shall not discriminate against any
16 pupil on the basis of the characteristics listed in Section 220. Except
17 as provided in paragraph (2), admission to a charter school shall
18 not be determined according to the place of residence of the pupil,
19 or of his or her parent or legal guardian, within this state, except
20 that an existing public school converting partially or entirely to a
21 charter school under this part shall adopt and maintain a policy
22 giving admission preference to pupils who reside within the former
23 attendance area of that public school.

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

26 (B) ~~However, if~~ *If* the number of pupils who wish to attend the
27 charter school exceeds the school's capacity, attendance, except
28 for existing pupils of the charter school, shall be determined by a
29 public random drawing. Preference shall be extended to pupils
30 currently attending the charter school and pupils who reside in the
31 district except as provided for in Section 47614.5. Other
32 preferences may be permitted by the chartering authority on an
33 individual school basis and only if consistent with the law.

34 (C) In the event of a drawing, the chartering authority shall
35 make reasonable efforts to accommodate the growth of the charter
36 school and in no event shall take any action to impede the charter
37 school from expanding enrollment to meet pupil demand.

38 (3) If a pupil is expelled or leaves the charter school without
39 graduating or completing the school year for any reason, the charter
40 school shall notify the superintendent of the school district of the

1 pupil's last known address within 30 days, and ~~shall~~, upon request,
2 *shall* provide that school district with a copy of the cumulative
3 record of the pupil, including a transcript of grades or report card,
4 and health information. This paragraph applies only to pupils
5 subject to compulsory full-time education pursuant to Section
6 48200.

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

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

12 (g) The governing board of a school district shall require that
13 the petitioner or petitioners provide information regarding the
14 proposed operation and potential effects of the school, including,
15 but not limited to, the facilities to be utilized by the school, the
16 manner in which administrative services of the school are to be
17 provided, and potential civil liability effects, if any, upon the school
18 and upon the school district. The description of the facilities to be
19 used by the charter school shall specify where the school intends
20 to locate. The petitioner or petitioners shall also be required to
21 provide financial statements that include a proposed first-year
22 operational budget, including startup costs, and cashflow and
23 financial projections for the first three years of operation.

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

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

36 (j) (1) If the governing board of a school district denies a
37 petition, the petitioner may elect to submit the petition for the
38 establishment of a charter school to the county board of education.
39 The county board of education shall review the petition pursuant
40 to subdivision (b). If the petitioner elects to submit a petition for

1 establishment of a charter school to the county board of education
2 and the county board of education denies the petition, the petitioner
3 may file a petition for establishment of a charter school with the
4 state board, and the state board may approve the petition, in
5 accordance with subdivision (b). A charter school that receives
6 approval of its petition from a county board of education or from
7 the state board on appeal shall be subject to the same requirements
8 concerning geographic location to which it would otherwise be
9 subject if it received approval from the entity to which it originally
10 submitted its petition. A charter petition that is submitted to either
11 a county board of education or to the state board shall meet all
12 otherwise applicable petition requirements, including the
13 identification of the proposed site or sites where the charter school
14 will operate.

15 (2) In assuming its role as a chartering agency, the state board
16 shall develop criteria to be used for the review and approval of
17 charter school petitions presented to the state board. The criteria
18 shall address all elements required for charter approval, as
19 identified in subdivision (b) and shall define “reasonably
20 comprehensive” as used in paragraph (5) of subdivision (b) in a
21 way that is consistent with the intent of this part. Upon satisfactory
22 completion of the criteria, the state board shall adopt the criteria
23 on or before June 30, 2001.

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

28 (4) If either the county board of education or the state board
29 fails to act on a petition within 120 days of receipt, the decision
30 of the governing board of the school district to deny a petition
31 shall, thereafter, be subject to judicial review.

32 (5) The state board shall adopt regulations implementing this
33 subdivision.

34 (6) Upon the approval of the petition by the county board of
35 education, the petitioner or petitioners shall provide written notice
36 of that approval, including a copy of the petition, to the department
37 and the state board.

38 (k) (1) The state board ~~may~~, by mutual agreement, *may*
39 designate its supervisory and oversight responsibilities for a
40 charter school ~~approved by the state board~~ *it approves* to any local

1 educational agency in the county in which the charter school is
2 located or to the governing board of the school district that first
3 denied the petition.

4 (2) The designated local educational agency shall have all
5 monitoring and supervising authority of a chartering agency,
6 including, but not limited to, powers and duties set forth in Section
7 47607, except the power of revocation, which shall remain with
8 the state board.

9 (3) A charter school that has been granted its charter through
10 an appeal to the state board and elects to seek renewal of its charter
11 shall, prior to expiration of the charter, submit its petition for
12 renewal to the governing board of the school district that initially
13 denied the charter. If the governing board of the school district
14 denies the school's petition for renewal, the school may petition
15 the state board for renewal of its charter.

16 (l) Teachers in charter schools shall hold a Commission on
17 Teacher Credentialing certificate, permit, or other document
18 equivalent to that which a teacher in other public schools would
19 be required to hold. These documents shall be maintained on file
20 at the charter school and are subject to periodic inspection by the
21 chartering authority. It is the intent of the Legislature that charter
22 schools be given flexibility with regard to noncore, noncollege
23 preparatory courses.

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

34 SEC. 5. Section 47605.6 of the Education Code is amended to
35 read:

36 47605.6. (a) (1) In addition to the authority provided by
37 Section 47605.5, a county board of education may also approve a
38 petition for the operation of a charter school that operates at one
39 or more sites within the geographic boundaries of the county and
40 that provides instructional services that are not generally provided

1 by a county office of education. A county board of education may
2 only approve a countywide charter if it finds, in addition to the
3 other requirements of this section, that the educational services to
4 be provided by the charter school will offer services to a pupil
5 population that will benefit from those services and that cannot be
6 served as well by a charter school that operates in only one school
7 district in the county. A petition for the establishment of a
8 countywide charter school pursuant to this subdivision may be
9 circulated throughout the county by any one or more persons
10 seeking to establish the charter school. The petition may be
11 submitted to the county board of education for review after either
12 of the following conditions are met:

13 (A) The petition ~~has been~~ is signed by a number of parents or
14 guardians of pupils residing within the county that is equivalent
15 to at least one-half of the number of pupils that the charter school
16 estimates will enroll in the school for its first year of operation and
17 each of the school districts where the charter school petitioner
18 proposes to operate a facility has received at least 30 days notice
19 of the petitioner's intent to operate a school pursuant to this section.

20 (B) The petition ~~has been~~ is signed by a number of teachers that
21 is equivalent to at least one-half of the number of teachers that the
22 charter school estimates will be employed at the school during its
23 first year of operation and each of the school districts where the
24 charter school petitioner proposes to operate a facility has received
25 at least 30 days notice of the petitioner's intent to operate a school
26 pursuant to this section.

27 (2) An existing public school may not be converted to a charter
28 school in accordance with this section.

29 (3) After receiving approval of its petition, a charter school that
30 proposes to establish operations at additional sites within the
31 geographic boundaries of the county board of education shall notify
32 the school districts where those sites will be located. The charter
33 school *also* shall ~~also~~ request a material revision of its charter by
34 the county board of education that approved its charter, and the
35 county board shall consider whether to approve those additional
36 locations at an open, public meeting, held no sooner than 30 days
37 following notification of the school districts where the sites will
38 be located. If approved, the location of the approved sites shall be
39 a material revision of the school's approved charter.

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

7 (b) No later than 60 days after receiving a petition, in accordance
8 with subdivision (a), the county board of education shall hold a
9 public hearing on the provisions of the charter, at which time the
10 county board of education shall consider the level of support for
11 the petition by teachers, parents or guardians, and the school
12 districts where the charter school petitioner proposes to place
13 school facilities. Following review of the petition and the public
14 hearing, the county board of education shall either grant or deny
15 the charter within 90 days of receipt of the petition. However, this
16 date may be extended by an additional 30 days if both parties agree
17 to the extension. A county board of education may impose any
18 additional requirements beyond those required by this section that
19 it considers necessary for the sound operation of a countywide
20 charter school. A county board of education may grant a charter
21 for the operation of a school under this part only if the board is
22 satisfied that granting the charter is consistent with sound
23 educational practice and that the charter school has reasonable
24 justification for why it could not be established by petition to a
25 school district pursuant to Section 47605. The county board of
26 education shall deny a petition for the establishment of a charter
27 school if the board finds; one or more of the following:

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

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

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

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

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

38 (A) (i) A description of the educational program of the school,
39 designed, among other things, to identify those pupils whom the
40 school is attempting to educate, what it means to be an "educated

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

5 (ii) If the proposed charter school will enroll high school pupils,
6 a description of the manner in which the manner in which the
7 charter school will inform parents regarding the transferability of
8 courses to other public high schools. Courses offered by the charter
9 school that are accredited by the Western Association of Schools
10 and Colleges may be considered to be transferable to other public
11 high schools.

12 (iii) If the proposed charter school will enroll high school pupils,
13 information as to the manner in which the charter school will
14 inform parents as to whether each individual course offered by the
15 charter school meets college entrance requirements. Courses
16 approved by the University of California or the California State
17 University as satisfying their prerequisites for admission may be
18 considered as meeting college entrance requirements for purposes
19 of this clause.

20 (B) The measurable pupil outcomes identified for use by the
21 charter school. “Pupil outcomes,” for purposes of this part, means
22 the extent to which all pupils of the school demonstrate that they
23 have attained the skills, knowledge, and attitudes specified as goals
24 in the school’s educational program.

25 (C) The method by which pupil progress in meeting those pupil
26 outcomes is to be measured.

27 (D) The location of each charter school facility that the petitioner
28 proposes to operate.

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

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

34 (G) The procedures that the school will follow to ensure the
35 health and safety of pupils and staff. These procedures shall include
36 the requirement that each employee of the school furnish the school
37 with a criminal record summary as described in Section 44237.

38 (H) The means by which the school will achieve a racial and
39 ethnic balance among its pupils that is reflective of the general

1 population residing within the territorial jurisdiction of the school
2 district to which the charter petition is submitted.

3 (I) The manner in which annual, independent, financial, and
4 compliance audits shall be conducted, in accordance with *audit*
5 *guide* regulations ~~established by the State Board of Education~~
6 *adopted by the Education Audits Appeal Panel*, and the manner
7 in which audit exceptions and deficiencies shall be resolved.

8 (J) The procedures by which pupils can be suspended or
9 expelled.

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

13 (L) The procedures to be followed by the charter school and the
14 county board of education to resolve disputes relating to provisions
15 of the charter.

16 (M) A declaration whether or not the charter school shall be
17 deemed the exclusive public school employer of the employees of
18 the charter school for the purposes of the Educational Employment
19 Relations Act (Chapter 10.7 (commencing with Section 3540) of
20 Division 4 of Title 1 of the Government Code).

21 (N) Admission requirements, of the charter school, if applicable.

22 (O) The public school attendance alternatives for pupils residing
23 within the county who choose not to attend the charter school.

24 (P) A description of the rights of an employee of the county
25 office of education, upon leaving the employment of the county
26 office of education, to be employed by the charter school, and a
27 description of any rights of return to the county office of education
28 that an employee may have upon leaving the employ of the charter
29 school.

30 (Q) A description of the procedures to be used if the charter
31 school closes. The procedures shall ensure a final audit of the
32 school to determine the disposition of all assets and liabilities of
33 the charter school, including plans for disposing of any net assets
34 and for the maintenance and transfer of public records.

35 (6) *The petitioner has operated another charter school for at*
36 *least three consecutive years and any of the following have*
37 *occurred:*

38 (A) *The charter school demonstrated academic achievement*
39 *equivalent to a persistently lowest-achieving school as set forth*
40 *in Section 53200.*

1 (B) *The charter school completed its first renewal cycle and*
2 *was not renewed by the authorizing entity, the county board of*
3 *education, or the state board.*

4 (C) *The charter school had its charter revoked, and the charter*
5 *was not restored by the county board of education or the state*
6 *board.*

7 ~~(6)~~

8 (7) Any other basis that the *county board of education* finds
9 justifies the denial of the petition.

10 (c) A county board of education that approves a petition for the
11 operation of a countywide charter may, as a condition of charter
12 approval, enter into an agreement with a third party, at the expense
13 of the charter school, to oversee, monitor, and report to the county
14 board of education on the operations of the charter school. The
15 county board of education may prescribe the aspects of the charter
16 school's operations to be monitored by the third party and may
17 prescribe appropriate requirements regarding the reporting of
18 information concerning the operations of the charter school to the
19 county board of education.

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

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

27 (e) (1) In addition to any other requirement imposed under this
28 part, a charter school shall be nonsectarian in its programs,
29 admission policies, employment practices, and all other operations,
30 shall not charge tuition, and shall not discriminate against any
31 pupil on the basis of ethnicity, national origin, gender, or disability.
32 Except as provided in paragraph (2), admission to a charter school
33 shall not be determined according to the place of residence of the
34 pupil, or of his or her parent or guardian, within this state.

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

37 (B) ~~However, if~~ *If* the number of pupils who wish to attend the
38 charter school exceeds the school's capacity, attendance, except
39 for existing pupils of the charter school, shall be determined by a
40 public random drawing. Preference shall be extended to pupils

1 currently attending the charter school and pupils who reside in the
2 county except as provided for in Section 47614.5. Other preferences
3 may be permitted by the chartering authority on an individual
4 school basis and only if consistent with the law.

5 (C) In the event of a drawing, the county board of education
6 shall make reasonable efforts to accommodate the growth of the
7 charter school and, in no event, shall take any action to impede
8 the charter school from expanding enrollment to meet pupil
9 demand.

10 (f) No county board of education shall require any employee of
11 the county or a school district to be employed in a charter school.

12 (g) No county board of education shall require any pupil enrolled
13 in a county program to attend a charter school.

14 (h) The county board of education shall require that the
15 petitioner or petitioners provide information regarding the proposed
16 operation and potential effects of the school, including, but not
17 limited to, the facilities to be utilized by the school, the manner in
18 which administrative services of the school are to be provided,
19 and potential civil liability effects, if any, upon the school, any
20 school district where the charter school may operate, and upon the
21 county board of education. The petitioner or petitioners shall also
22 be required to provide financial statements that include a proposed
23 first-year operational budget, including startup costs, and cashflow
24 and financial projections for the first three years of operation.

25 (i) In reviewing petitions for the establishment of charter schools
26 within the county, the county board of education shall give
27 preference to petitions that demonstrate the capability to provide
28 comprehensive learning experiences to pupils identified by the
29 petitioner or petitioners as academically low-achieving pursuant
30 to the standards established by the ~~State Department of Education~~
31 *department* under Section 54032.

32 (j) Upon the approval of the petition by the county board of
33 education, the petitioner or petitioners shall provide written notice
34 of that approval, including a copy of the petition, to the school
35 districts within the county, the Superintendent of Public Instruction,
36 and to the ~~State Board of Education~~ *state board*.

37 (k) If a county board of education denies a petition, the petitioner
38 may not elect to submit the petition for the establishment of the
39 charter school to the ~~State Board of Education~~ *state board*.

(l) Teachers in charter schools shall be required to hold a Commission on Teacher Credentialing certificate, permit, or other document equivalent to that which a teacher in other public schools would be required to hold. These documents shall be maintained on file at the charter school and shall be subject to periodic inspection by the chartering authority.

(m) A charter school shall transmit a copy of its annual, independent, financial audit report for the preceding fiscal year, as described in subparagraph (I) of paragraph (5) of subdivision (b), to the ~~County Office of Education~~ *county office of education*, ~~State the~~ Controller, and the ~~State Department of Education~~ *department* by December 15 of each year. This subdivision shall not apply if the audit of the charter school is encompassed in the audit of the chartering entity pursuant to Section 41020.

SEC. 6. Section 47607 of the Education Code is amended to read:

47607. (a) (1) A charter may be granted pursuant to Sections 47605, 47605.5, and 47606 for a period not to exceed five years. A charter granted by a school district governing board, a county board of education, or the state board, may be granted one or more subsequent renewals by that entity. Each renewal shall be for a period of *one to* five years. A material revision of the provisions of a charter petition may be made only with the approval of the authority that granted the charter. The authority that granted the charter may inspect or observe any part of the charter school at any time.

(2) Renewals and material revisions of charters are governed by the standards and criteria in Section 47605, and shall include, but not be limited to, a reasonably comprehensive description of any new requirement of charter schools enacted into law after the charter was originally granted or last renewed.

(3) *The chartering authority that authorizes a charter school shall consider, as one factor in determining whether to grant a renewal, the degree to which a charter school serves pupil populations that are similar to the local school district pupil populations or similar to pupil populations in the school's local community, or similar to the pupil populations identified in the charter petition as the target pupil populations to be served, especially with regard to high-need pupils, including, but not*

1 *limited to, pupils with disabilities, pupils living in poverty, and*
2 *English learners.*

3 ~~(b) Commencing on January 1, 2005, or after a~~ charter school
4 ~~that has been in operation for four years, whichever date occurs~~
5 ~~later, a charter school~~ shall meet at least one of the following
6 criteria prior to receiving a charter renewal pursuant to paragraph
7 (1) of subdivision (a):

8 (1) Attained its Academic Performance Index (API) ~~growth~~
9 ~~target schoolwide and subgroup growth targets~~ in the prior year
10 or in two of the last three years, or in the aggregate for the prior
11 three years.

12 (2) Ranked in deciles 4 to 10, inclusive, on the API in the prior
13 year or in two of the last three years.

14 (3) Ranked in deciles 4 to 10, inclusive, on the API for a
15 demographically comparable school in the prior year or in two of
16 the last three years.

17 ~~(4) (A) The entity that granted the charter determines that the~~
18 ~~academic performance of the charter school is at least equal to the~~
19 ~~academic performance of the public schools that the charter school~~
20 ~~pupils would otherwise have been required to attend, as well as~~
21 ~~the academic performance of the schools in the school district in~~
22 ~~which the charter school is located, taking into account the~~
23 ~~composition of the pupil population that is served at the charter~~
24 ~~school.~~

25 ~~(B) The determination made pursuant to this paragraph shall be~~
26 ~~based upon all of the following:~~

27 ~~(i) Documented and clear and convincing data.~~

28 ~~(ii) Pupil achievement data from assessments, including, but~~
29 ~~not limited to, the Standardized Testing and Reporting Program~~
30 ~~established by Article 4 (commencing with Section 60640) for~~
31 ~~demographically similar pupil populations in the comparison~~
32 ~~schools.~~

33 ~~(iii) Information submitted by the charter school.~~

34 ~~(C) A chartering authority shall submit to the Superintendent~~
35 ~~copies of supporting documentation and a written summary of the~~
36 ~~basis for any determination made pursuant to this paragraph. The~~
37 ~~Superintendent shall review the materials and make~~
38 ~~recommendations to the chartering authority based on that review.~~
39 ~~The review may be the basis for a recommendation made pursuant~~
40 ~~to Section 47604.5.~~

1 ~~(D) A charter renewal may not be granted to a charter school~~
2 ~~prior to 30 days after that charter school submits materials pursuant~~
3 ~~to this paragraph.~~

4 ~~(5)–~~

5 (4) Has qualified for an alternative accountability system
6 pursuant to subdivision (h) of Section 52052.

7 (5) *Has met or exceeded the API of the local school district.*

8 (c) *Notwithstanding subdivision (a), for purposes of achieving*
9 *high-performing charter schools, a chartering authority shall not*
10 *do either of the following:*

11 (1) *Grant a renewal of a charter school for a period longer than*
12 *three years if that charter school is in program improvement,*
13 *pursuant to the federal No Child Left Behind Act of 2001 (20 U.S.C.*
14 *Sec. 6301 et seq.).*

15 (2) *Grant a renewal of a charter school that has entered into*
16 *year five of program improvement, pursuant to the federal No*
17 *Child Left Behind Act of 2001 (20 U.S.C. Sec. 6301 et seq.), has*
18 *not exited program improvement, and did not meet Adequate Yearly*
19 *Progress in the year prior to the renewal year.*

20 (3) *This subdivision does not apply to charter schools that*
21 *qualify for the alternative accountability system developed pursuant*
22 *to subdivision (h) of Section 52052.*

23 ~~(e)–~~

24 (d) A charter may be revoked by the authority that granted the
25 charter under this chapter if the authority finds, through a showing
26 of substantial evidence, that the charter school did any of the
27 following:

28 (1) Committed a material violation of any of the conditions,
29 standards, or procedures set forth in the charter.

30 (2) Failed to meet or pursue any of the pupil outcomes identified
31 in the charter.

32 (3) Failed to meet generally accepted accounting principles, or
33 engaged in fiscal mismanagement.

34 (4) Violated any provision of law.

35 ~~(d)–~~

36 (e) Prior to revocation, the authority that granted the charter
37 shall notify the charter public school of any violation of this section
38 and give the school a reasonable opportunity to remedy the
39 violation, unless the authority determines, in writing, that the

1 violation constitutes a severe and imminent threat to the health or
2 safety of the pupils.

3 ~~(e)–~~

4 (f) Prior to revoking a charter for failure to remedy a violation
5 pursuant to subdivision~~(d)~~ (e), and after expiration of the school's
6 reasonable opportunity to remedy without successfully remedying
7 the violation, the chartering authority shall provide a written notice
8 of intent to revoke and notice of facts in support of revocation to
9 the charter school. No later than 30 days after providing the notice
10 of intent to revoke a charter, the chartering authority shall hold a
11 public hearing, in the normal course of business, on the issue of
12 whether evidence exists to revoke the charter. No later than 30
13 days after the public hearing, the chartering authority shall issue
14 a final decision to revoke or decline to revoke the charter, unless
15 the chartering authority and the charter school agree to extend the
16 issuance of the decision by an additional 30 days. The chartering
17 authority shall not revoke a charter, unless it makes written factual
18 findings supported by substantial evidence, specific to the charter
19 school, that support its findings.

20 ~~(f)–~~

21 (g) (1) If a school district is the chartering authority and it
22 revokes a charter pursuant to this section, the charter school may
23 appeal the revocation to the county board of education within 30
24 days following the final decision of the chartering authority.

25 (2) The county board may reverse the revocation decision if the
26 county board determines that the findings made by the chartering
27 authority under subdivision~~(e)~~ (f) are not supported by substantial
28 evidence. The school district may appeal the reversal to the state
29 board.

30 (3) If the county board does not issue a decision on the appeal
31 within 90 days of receipt, or the county board upholds the
32 revocation, the charter school may appeal the revocation to the
33 state board.

34 (4) The state board may reverse the revocation decision if the
35 state board determines that the findings made by the chartering
36 authority under subdivision~~(e)~~ (f) are not supported by substantial
37 evidence. The state board may uphold the revocation decision of
38 the school district if the state board determines that the findings
39 made by the chartering authority under subdivision~~(e)~~ (f) are
40 supported by substantial evidence.

1 ~~(g)~~—

2 (h) (1) If a county office of education is the chartering authority
3 and the county board revokes a charter pursuant to this section,
4 the charter school may appeal the revocation to the state board
5 within 30 days following the decision of the chartering authority.

6 (2) The state board may reverse the revocation decision if the
7 state board determines that the findings made by the chartering
8 authority under subdivision~~(e)~~ (f) are not supported by substantial
9 evidence.

10 ~~(h)~~—

11 (i) If the revocation decision of the chartering authority is
12 reversed on appeal, the agency that granted the charter shall
13 continue to be regarded as the chartering authority.

14 ~~(i)~~—

15 (j) During the pendency of an appeal filed under this section, a
16 charter school, whose revocation proceedings are based on
17 paragraph (1) or (2) of subdivision~~(e)~~ (d), shall continue to qualify
18 as a charter school for funding and for all other purposes of this
19 part, and may continue to hold all existing grants, resources, and
20 facilities, in order to ensure that the education of pupils enrolled
21 in the school is not disrupted.

22 ~~(j)~~—

23 (k) Immediately following the decision of a county board to
24 reverse a decision of a school district to revoke a charter, the
25 following shall apply:

26 (1) The charter school shall qualify as a charter school for
27 funding and for all other purposes of this part.

28 (2) The charter school may continue to hold all existing grants,
29 resources, and facilities.

30 (3) Any funding, grants, resources, and facilities that had been
31 withheld from the charter school, or that the charter school had
32 otherwise been deprived of use, as a result of the revocation of the
33 charter shall be immediately reinstated or returned.

34 ~~(k)~~—

35 (l) A final decision of a revocation or appeal of a revocation
36 pursuant to subdivision~~(e)~~ (d) shall be reported to the chartering
37 authority, the county board, and the department.

38 SEC. 7. Section 47630.6 is added to the Education Code, to
39 read:

1 47630.6. (a) By December 31 of each fiscal year, the Controller
2 shall publish a directory of certified public accountants and public
3 accountants, licensed by the California Board of Accountancy,
4 deemed by the Controller to be qualified to conduct audits of
5 charter schools. Each audit of a charter school conducted pursuant
6 to this part shall be conducted by a certified public accountant or
7 public accountant selected by the charter school from the directory
8 established pursuant to this subdivision.

9 (b) Except as provided in subdivision (d) of Section 41320.1,
10 it is unlawful for a public accounting firm to provide audit services
11 to a charter school if the lead audit partner, or coordinating audit
12 partner, having primary responsibility for the audit, or the audit
13 partner responsible for reviewing the audit, has performed audit
14 services for that charter school in each of the six previous fiscal
15 years

16 (c) It is the intent of the Legislature that, notwithstanding
17 subdivision (b), the rotation within public accounting firms
18 conforms to provisions of the federal Sarbanes-Oxley Act of 2002
19 (Public Law 107-204; 15 U.S.C. Sec. 7201 et seq.).

20 SEC. 8. If the Commission on State Mandates determines that
21 this act contains costs mandated by the state, reimbursement to
22 local agencies and school districts for those costs shall be made
23 pursuant to Part 7 (commencing with Section 17500) of Division
24 4 of Title 2 of the Government Code.