

**Assembly Bill No. 913**

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Passed the Assembly August 28, 2014

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*Chief Clerk of the Assembly*

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Passed the Senate August 27, 2014

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*Secretary of the Senate*

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This bill was received by the Governor this \_\_\_\_\_ day  
of \_\_\_\_\_, 2014, at \_\_\_\_\_ o'clock \_\_\_\_M.

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*Private Secretary of the Governor*

## CHAPTER \_\_\_\_\_

An act to add Section 47604.1 to the Education Code, relating to charter schools.

## LEGISLATIVE COUNSEL'S DIGEST

AB 913, Chau. Charter schools.

(1) The Ralph M. Brown Act requires that all meetings of a legislative body, as defined, of a local agency be open and public and all persons be permitted to attend unless a closed session is authorized. The Bagley-Keene Open Meeting Act requires, with specified exceptions, that all meetings of a state body be open and public and all persons be permitted to attend.

This bill would expressly state that a charter school is subject to the Ralph M. Brown Act, unless it is operated by an entity governed by the Bagley-Keene Open Meeting Act, in which case the charter school would be subject to the Bagley-Keene Open Meeting Act.

(2) The California Public Records Act requires state and local agencies to make their records available for public inspection and to make copies available upon request and payment of a fee unless the records are exempt from disclosure.

This bill would expressly state that a charter school is subject to the California Public Records Act.

(3) Existing law prohibits certain public officials, including, but not limited to, state, county, or district officers or employees, from being financially interested in any contract made by them in their official capacity, or by any body or board of which they are members, except as provided.

This bill would expressly state that a charter school is subject to those provisions.

(4) The Political Reform Act of 1974 requires every state agency and local governmental agency to adopt a conflict-of-interest code, formulated at the most decentralized level possible, that requires designated employees of the agency to file statements of economic interest disclosing any investments, business positions, interests in real property, or sources of income that may foreseeably be affected materially by any governmental decision made or

participated in by the designated employee by virtue of his or her position.

This bill would expressly state that a charter school is subject to the Political Reform Act of 1974.

(5) This bill would state various exceptions and clarifications regarding the applicability of the acts described above in paragraphs (1) to (4), inclusive, including, among others, that an employee of a charter school is not disqualified from serving as a member of the governing body of the charter school because of that employment status, and that a member of the governing body of a charter school is authorized to provide a loan to, or sign a guarantor agreement relative to a line of credit for, the charter school, as specified.

(6) This bill would make these provisions operative on July 1, 2015.

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

SECTION 1. It is the intent of the Legislature in enacting this act to do all of the following:

(a) Establish conflict-of-interest policies for the governing body of charter schools that mirror existing conflict-of-interest policies followed by the governing board of school districts.

(b) Provide transparency in the operations of the many charter schools that are providing quality educational options for parents and pupils and renew the faith of parents and the community that their local charter school is acting in the best interests of pupils.

(c) Continue to provide greater autonomy to charter schools than traditional public schools and provide greater transparency to parents and the public with regard to the use of public funds by the governing body of charter schools for the educational benefit of their pupils.

(d) Establish standards and procedures consistent with the Charter Schools Act of 1992 to avoid conflicts of interest in charter schools.

SEC. 2. Section 47604.1 is added to the Education Code, to read:

47604.1. (a) A charter school is subject to all of the following:

(1) The Ralph M. Brown Act (Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5 of the Government

Code), except that a charter school operated by an entity governed by the Bagley-Keene Open Meeting Act (Article 9 (commencing with Section 11120) of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government Code) is subject to the Bagley-Keene Open Meeting Act regardless of the authorizing entity.

(2) The California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code).

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

(4) The Political Reform Act of 1974 (Title 9 (commencing with Section 81000) of the Government Code). For purposes of Section 87300 of the Government Code, a charter school shall be considered an agency. The charter school's code reviewing body shall be determined pursuant to Section 82011 of the Government Code.

(b) (1) Notwithstanding Article 4 (commencing with Section 1090) of Chapter 1 of Division 4 of Title 1 of the Government Code, both of the following apply:

(A) An employee of a charter school shall not be disqualified because of that employment status from also serving as a member of the governing body of the charter school.

(B) A member of the governing body of a charter school who is also an employee shall not act in his or her capacity as a member of that governing body to make, participate in making, or use his or her official position to influence, all matters uniquely affecting his or her own employment with the charter school.

(2) Notwithstanding Article 4 (commencing with Section 1090) of Chapter 1 of Division 4 of Title 1 of the Government Code, a person who provides a loan to, or signs a guarantor agreement relative to a line of credit for, a charter school, shall not be disqualified from also serving as a member of the governing body of the charter school or from being an employee of the charter school because of that loan agreement or line of credit agreement. A member of the governing body of a charter school who provides a loan or signs as guarantor of a line of credit, as described in this paragraph, shall abstain from voting on, or influencing or attempting to influence another member of the governing body of the charter school regarding, all matters affecting the loan agreement or line of credit agreement. The governing body of the

charter school shall disclose and approve the loan agreement or line of credit agreement, including the terms of the loan and an assurance that the terms of the loan agreement or line of credit agreement will be at zero interest or at an interest rate that results in returns that shall not exceed the cost to enter into the loan agreement or line of credit agreement, during a public meeting.

(c) A person who is disqualified by the California Constitution or laws of the state from holding a civil office shall not serve on the governing body of a charter school.

(d) To the extent that the governing body of a charter school engages in activities that are not related to the operation of the charter school, this section does not make those unrelated activities subject to Section 1090 of the Government Code, the Ralph M. Brown Act, the Bagley-Keene Open Meeting Act, or the California Public Records Act. A meeting of the governing body of a charter school to discuss items related to the operation of the charter school shall not include discussion of any item regarding an activity of the governing body that is not related to the operation of the charter school.

(e) Notwithstanding any other law, the governing body of a charter school may meet within the physical boundaries of the county or counties in which one or more of the school's facilities are located or within the physical boundaries of the charter school's chartering authority, provided that proper notices pursuant to the Ralph M. Brown Act or the Bagley-Keene Open Meeting Act are posted within the physical boundaries of each of the counties in which any of the school's facilities are located. A charter school also may meet in a county contiguous to the county where one or more of the school's facilities are located if at least 10 percent of the pupils who are enrolled in the school reside in that contiguous county. A nonclassroom-based charter school that does not have a facility may meet within the boundaries of the county in which the greatest number of pupils who are enrolled in the school reside. This subdivision shall not limit the authority of the governing body to meet outside these boundaries to the extent authorized by Section 54954 of the Government Code, provided that the meeting place is in compliance with Section 54961 of the Government Code.

(f) A statement of economic interest that is filed by a designated person at a charter school after the required deadline pursuant to

the Political Reform Act of 1974 shall not be the sole basis for revocation of a charter pursuant to Section 47607.

(g) For purposes of this section, “facility” means a charter school campus, resource center, meeting space, or satellite facility.

(h) Notwithstanding any other law, this section shall not apply to actions taken before the operative date of this section.

(i) This section shall become operative on July 1, 2015.



Approved \_\_\_\_\_, 2014

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*Governor*