

AMENDED IN SENATE AUGUST 19, 2014

AMENDED IN ASSEMBLY MAY 24, 2013

AMENDED IN ASSEMBLY MAY 7, 2013

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 948

Introduced by Assembly Member Olsen
(Principal coauthor: Senator Galgiani)

February 22, 2013

An act to amend Section 47614.5 of the Education Code, relating to charter schools.

LEGISLATIVE COUNSEL'S DIGEST

AB 948, as amended, Olsen. Charter schools: school facilities: Charter School Facility Grant Program.

Existing law requires the ~~State Department of Education~~ *California School Finance Authority* to administer the Charter School Facility Grant ~~Program, Program and~~ provides that the grant program is intended to provide assistance with facilities rent and lease costs for pupils in charter schools, and states the intent of the Legislature that not less than \$18,000,000 annually be appropriated for purposes of the grant program. Existing law requires, subject to the annual Budget Act, eligible schools to receive an amount up to \$750 per unit of average daily attendance, as specified, to provide an amount of up to, but not more than, 75% of the annual facilities rent and lease costs for the charter school. *schools*. Existing law requires the ~~department, authority,~~ among other requirements, to inform charter schools of the grant program and to determine grant program eligibility based on specified factors, including, among other factors, a charter school's preference in admissions, the

geographic location of the charter schoolsite, and pupil eligibility for free and reduced-price meals, as specified. Existing law prohibits funds appropriated for purposes of the grant program from being apportioned for units of average daily attendance generated through nonclassroom-based instruction, as defined, requires that funds appropriated for purposes of the grant program be used for costs associated with facilities rents and leases, and requires an existing charter school that is relocating to give an admissions preference to pupils who reside in the elementary attendance area into which the charter school is relocating in specified circumstances.

This bill would require eligibility for the grant program to be expanded, as specified, if funds remain after charter schools that meet the existing free and reduced-price meals threshold are funded. The bill would repeal the Legislature’s statement of intent that not less than \$18,000,000 annually be appropriated for purposes of the grant program. The bill would provide that, with respect to this grant program, charter schools would be subject to the provision that generally imposes the requirement of an annual audit on local educational agencies.

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

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

1 SECTION 1. Section 47614.5 of the Education Code is amended
 2 to read:
 3 47614.5. (a) The Charter School Facility Grant Program is
 4 hereby established, and, commencing with the 2013–14 fiscal year,
 5 and shall be administered by the California School Finance
 6 Authority. The grant program is intended to provide assistance
 7 with facilities rent and lease costs for pupils in charter schools.
 8 (b) Subject to the annual Budget Act, eligible *charter* schools
 9 shall receive an amount of up to, but not more than, seven hundred
 10 fifty dollars (\$750) per unit of average daily attendance, as certified
 11 at the second principal apportionment, to provide an amount of up
 12 to, but not more than, 75 percent of the annual facilities rent and
 13 lease costs for the charter school. In any fiscal year, if the funds
 14 appropriated for the purposes of this section by the annual Budget
 15 Act are insufficient to *fully* fund the approved amounts—~~fully~~
 16 *amounts*, the California School Finance Authority shall apportion
 17 the available funds on a pro rata basis.

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

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

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

13 (A) The charter schoolsite is physically located in the attendance
14 area of a public elementary school in which 70 percent or more of
15 the pupil enrollment is eligible for free or reduced-price meals and
16 the *charter* schoolsite gives a preference in admissions to pupils
17 who are currently enrolled in that public elementary school and to
18 pupils who reside in the elementary school attendance area where
19 the charter schoolsite is located.

20 (B) Seventy percent or more of the pupil enrollment at the
21 charter schoolsite is eligible for free or reduced-price meals.

22 (C) *In any year in which additional funds remain after state*
23 *and federal funds have been allocated to applicants that meet the*
24 *eligibility criteria in subparagraph (A) or (B), the California*
25 *School Finance Authority shall expand eligibility to additional*
26 *charter schools that are eligible pursuant to subparagraph (B) by*
27 *reducing the free and reduced-price meals threshold one*
28 *percentage point at a time, but in no case below 60 percent.*

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

30 (4) ~~Commencing with the 2013-14 fiscal year, make~~ *Make*
31 apportionments to a charter school for eligible expenditures
32 according to the following schedule:

33 (A) An initial apportionment by August 31 of each fiscal year
34 or 30 days after enactment of the annual Budget Act, whichever
35 is later, provided the charter school has submitted a timely
36 application for funding, as determined by the California School
37 Finance Authority. The initial apportionment shall be 50 percent
38 of the *charter* school's estimated annual entitlement as determined
39 by this section.

1 (B) A second apportionment by March 1 of each fiscal year.
 2 This apportionment shall be 75 percent of the charter school’s
 3 estimated annual entitlement, as adjusted for any revisions in cost,
 4 enrollment, and other data relevant to computing the charter
 5 school’s annual entitlement, less any funding already apportioned
 6 to the charter school.

7 (C) A third apportionment within 30 days of the end of each
 8 fiscal year or 30 days after receiving the data and documentation
 9 needed to compute the charter school’s total annual entitlement,
 10 whichever is later. This apportionment shall be the charter school’s
 11 total annual entitlement less any funding already apportioned to
 12 the charter school.

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

17 (d) For the purposes of this section:

18 (1) The California School Finance Authority shall use prior year
 19 data on pupil eligibility for free or reduced-price meals for the
 20 charter schoolsite and prior year rent or lease costs provided by
 21 charter schools to determine eligibility for the grant program until
 22 current year data and actual rent or lease costs become known or
 23 until June 30 of each fiscal year.

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

28 (3) The California School Finance Authority shall verify that
 29 the grant amount awarded to each charter school is consistent with
 30 eligibility requirements as specified in this section and in
 31 regulations adopted by the authority. If it is determined by the
 32 California School Finance Authority that a charter school did not
 33 receive the proper grant award amount, either the charter school
 34 shall transfer funds back to the authority as necessary within 60
 35 days of being notified by the authority, or the authority shall
 36 provide an additional apportionment as necessary to the charter
 37 school within 60 days of notifying the charter school, subject to
 38 the availability of funds.

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

1 (1) Units of average daily attendance generated through
2 nonclassroom-based instruction as defined by paragraph (2) of
3 subdivision ~~(d)~~ (e) of Section 47612.5 or that does not comply
4 with conditions or limitations set forth in regulations adopted by
5 the state board pursuant to this section.

6 (2) Charter schools occupying existing school district or county
7 office of education facilities, except that charter schools shall be
8 eligible for the portions of their facilities that are not existing
9 school district or county office of education facilities.

10 (3) Charter schools receiving reasonably equivalent facilities
11 from their chartering authorities pursuant to Section 47614, except
12 that charter schools shall be eligible for the portions of their
13 facilities that are not reasonably equivalent facilities received from
14 their chartering authorities.

15 (f) Funds appropriated for purposes of this section shall be used
16 for costs associated with facilities rents and leases, consistent with
17 the definitions used in the California School Accounting Manual
18 or regulations adopted by the California School Finance Authority.
19 These funds also may be used for costs, including, but not limited
20 to, costs associated with remodeling buildings, deferred
21 maintenance, initially installing or extending service systems and
22 other built-in equipment, and improving sites.

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

29 (h) The California School Finance Authority annually shall
30 report to the department and the Director of Finance, and post
31 information on its Internet Web site, regarding the use of funds
32 that have been made available during the fiscal year to each charter
33 school pursuant to the grant program.

34 (i) The California School Finance Authority, ~~commencing with~~
35 ~~the 2013–14 fiscal year,~~ Authority shall annually allocate the
36 facilities grants to eligible charter schools according to the schedule
37 in paragraph (4) of subdivision (c) for the current school year rent
38 and lease costs. However, the California School Finance Authority
39 shall first use the funding appropriated for this program to

1 reimburse eligible charter schools for unreimbursed rent or lease
2 costs for the prior school year.

3 (j) It is the intent of the Legislature that the funding level for
4 the Charter School Facility Grant Program for the 2012–13 fiscal
5 year be considered the base level of funding for subsequent fiscal
6 years.

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

10 (l) The California School Finance Authority, effective with the
11 2013–14 fiscal year, shall be considered the senior creditor for
12 purposes of satisfying audit findings pursuant to the audit
13 instructions to be developed pursuant to subdivision (k).

14 (m) The California School Finance Authority may adopt
15 regulations to implement this section. Any regulations adopted
16 pursuant to this section may be adopted as emergency regulations
17 in accordance with the Administrative Procedure Act (Chapter 3.5
18 (commencing with Section 11340) of Part 1 of Division 3 of the
19 Title 2 of the Government Code). The adoption of these regulations
20 shall be deemed to be an emergency and necessary for the
21 immediate preservation of the public peace, health and safety, or
22 general welfare.

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

26 ~~SECTION 1. Section 47614.5 of the Education Code is~~
27 ~~amended to read:~~

28 ~~47614.5. (a) The Charter School Facility Grant Program is~~
29 ~~hereby established, and shall be administered by the department.~~
30 ~~The grant program is intended to provide assistance with facilities~~
31 ~~rent and lease costs for pupils in charter schools.~~

32 ~~(b) Subject to the annual Budget Act, eligible schools shall~~
33 ~~receive an amount of up to, but not more than, seven hundred fifty~~
34 ~~dollars (\$750) per unit of average daily attendance, as certified at~~
35 ~~the second principal apportionment, to provide an amount of up~~
36 ~~to, but not more than, 75 percent of the annual facilities rent and~~
37 ~~lease costs for the charter school. In any fiscal year, if the funds~~
38 ~~appropriated for the purposes of this section by the annual Budget~~
39 ~~Act are insufficient to fully fund the approved amounts, the~~

1 Superintendent shall apportion the available funds on a pro rata
2 basis:

3 ~~(e) For purposes of this section, the department shall do all of~~
4 ~~the following:~~

5 ~~(1) Inform charter schools of the grant program.~~

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

14 ~~(A) The charter schoolsite is physically located in the attendance~~
15 ~~area of a public elementary school in which 70 percent or more of~~
16 ~~the pupil enrollment is eligible for free or reduced priced meals~~
17 ~~and the schoolsite gives a preference in admissions to pupils who~~
18 ~~are currently enrolled in that public elementary school and to pupils~~
19 ~~who reside in the elementary school attendance area where the~~
20 ~~charter schoolsite is located.~~

21 ~~(B) Seventy percent or more of the pupil enrollment at the~~
22 ~~charter schoolsite is eligible for free or reduced price meals.~~

23 ~~(C) In any year in which additional funds remain after state and~~
24 ~~federal funds have been allocated to applicants that meet the~~
25 ~~eligibility criteria in subparagraph (A) or (B), the department shall~~
26 ~~expand eligibility to additional schools that are eligible pursuant~~
27 ~~to subparagraph (B) by reducing the free and reduced-price meals~~
28 ~~threshold one percentage point at a time, but in no case below 60~~
29 ~~percent.~~

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

31 ~~(4) Allocate funding to charter schools for eligible expenditures~~
32 ~~in a timely manner.~~

33 ~~(d) Funds appropriated for purposes of this section shall not be~~
34 ~~apportioned for any of the following:~~

35 ~~(1) Units of average daily attendance generated through~~
36 ~~nonclassroom-based instruction as defined by paragraph (2) of~~
37 ~~subdivision (d) of Section 47612.5 or that does not comply with~~
38 ~~conditions or limitations set forth in regulations adopted by the~~
39 ~~state board pursuant to this section.~~

- 1 ~~(2) Charter schools occupying existing school district or county~~
2 ~~office of education facilities.~~
- 3 ~~(3) Charter schools receiving reasonably equivalent facilities~~
4 ~~from their chartering authority pursuant to Section 47614.~~
- 5 ~~(e) Funds appropriated for purposes of this section shall be used~~
6 ~~for costs associated with facilities rents and leases, consistent with~~
7 ~~the definitions used in the California School Accounting Manual.~~
8 ~~These funds also may be used for costs, including, but not limited~~
9 ~~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 ~~(f) 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 ~~(g) The Superintendent annually shall report to the state board~~
19 ~~regarding the use of funds that have been made available during~~
20 ~~the fiscal year to each charter school pursuant to the grant program.~~
- 21 ~~(h) The Superintendent shall annually allocate the facilities~~
22 ~~grants to eligible charter schools no later than October 1 of each~~
23 ~~fiscal year or 90 days after enactment of the annual Budget Act,~~
24 ~~whichever is later, for the current school year rent and lease costs.~~
25 ~~However, the department shall first use the funding appropriated~~
26 ~~for this program to reimburse eligible charter schools for~~
27 ~~unreimbursed rent or lease costs for the prior school year.~~
- 28 ~~(i) Notwithstanding any other law, a charter school shall be~~
29 ~~subject, with regard to this section, to audits conducted pursuant~~
30 ~~to Section 41020.~~