

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

February 19, 2016

An act to amend Sections 47605, 47605.6, 47605.8, and 47613 of, and to add Sections 47604.6 and 47604.7 to, the Education Code, relating to charter schools.

LEGISLATIVE COUNSEL'S DIGEST

SB 1434, as introduced, Glazer. Charter schools.

(1) Existing law, The Charter Schools Act of 1992, permits teachers and parents to petition the governing board of a school district to approve a charter school to operate independently from the existing school district structure as a method of accomplishing, among other things, improved pupil learning.

This bill would authorize a school district, county office of education, or charter school to file a grievance with the State Board of Education alleging a violation of an obligation of a chartering authority, as provided. The bill would require the state board's Advisory Commission on Charter Schools to hold a public hearing on the grievance and, if it finds the complaint meritorious, make a specific recommendation to the state board, which may include specific corrective action or suspension or revocation of the chartering authority's authority to approve, oversee, renew, and revoke charters.

(2) Existing law requires a chartering authority to meet certain charter school authorizing, supervisory, and oversight responsibilities.

This bill would authorize the state board to approve a county office of education or a school district with demonstrated authorizing and oversight capacity to serve as an expanded authorizer of charter schools allowing that chartering entity to assume the charter school authorizing,

supervisory, and oversight responsibilities of another school district in certain situations, as specified.

(3) Existing law requires the governing board of a school district, after receiving a charter petition, to hold a public hearing on the provisions of the charter and prohibits the governing board of a school district from denying a petition for the establishment of a charter school unless it makes written factual findings, specific to the particular petition, setting forth specific facts to support certain findings.

This bill would require the governing board of the school district to base the specific facts on substantial evidence and provide the evidence to the petitioners and make it available to the public before the hearing.

Existing law authorizes a charter school petitioner, if the governing board of a school district denies a petition, to submit the petition for the establishment of a charter school to the county board of education. Existing law also authorizes a charter school petitioner, if the county board of education denies a petition, to submit the petition for the establishment of a charter school to the state board.

This bill would authorize a charter school petitioner to appeal to the county board of education if, after the petitioner submits a charter petition, the school district fails to act on the petition within required timelines or the governing board of a school district fails to adopt required findings to deny a petition. The bill would also permit a charter school petitioner to appeal to the state board if the county board of education fails to act on the petition within required timelines or the county board of education fails to adopt required findings to deny a petition.

Existing law requires a charter petition that either the county board of education or the state board fails to act upon within 120 days of receipt to be subject to judicial review.

This bill would, instead, require a charter petition that the state board fails to act upon within 120 days of receipt to be subject to judicial review.

Existing law authorizes the state board, by mutual agreement, to designate its supervisory and oversight responsibilities for a charter school approved by the state board to any local educational agency in the county in which the charter school is located or to the governing board of the school district that first denied the petition.

This bill would also authorize the state board to designate its responsibilities to a county office of education.

Existing law requires a charter school that is granted its charter through an appeal to the state board and elects to seek renewal of its charter, before expiration of the charter, to submit its petition for renewal to the governing board of the school district that initially denied the charter.

This bill would, instead, authorize a charter school that is granted its charter through an appeal to the state board or a county board of education and elects to seek renewal of its charter, before expiration of the charter, to submit its petition for renewal to the governing board of the school district that initially denied the charter.

Existing law authorizes a charter school, if the governing board of the school district denies the charter school's petition for renewal, to petition the state board for the renewal of its charter.

This bill would authorize a charter school, if the governing board of the school district denies the charter school's petition for renewal, to petition the charter school's current chartering authority for the renewal of its charter.

(4) Existing law authorizes a county board of education to approve a countywide charter only if it finds, in addition to other requirements, that the educational services to be provided by the charter school will offer services to a pupil population that will benefit from those services and that cannot be served as well by a charter school that operates in only one school district in the county.

This bill would, instead, authorize a county board of education to approve a countywide charter only if it finds, in addition to other requirements, that the educational services to be provided by the charter school will offer services to a pupil population that will benefit from those services.

Existing law authorizes a county board of education to grant a countywide charter only if it is satisfied that granting the charter is consistent with sound educational practice and that the charter school has reasonable justification for why it could not be established by petition to a school district.

This bill would, instead, authorize a county board of education to grant a countywide charter only if it is satisfied that granting the charter is consistent with sound educational practice and that the charter school petitioners have demonstrated that the charter school will provide a high-quality educational program. The bill would require the county board of education to also ensure that the charter school has described in the petition the manner in which the charter school will seek to share

best and promising practices of the charter school with other traditional public schools and charter schools that have low academic performance.

Existing law prohibits a charter school petitioner from submitting a petition for a countywide charter to the state board on appeal.

This bill would authorize a charter school petitioner to submit a petition for a countywide charter to the state board on appeal.

(5) Existing law authorizes the state board to approve a charter for the operation of a state charter school that may operate at multiple sites throughout the state.

This bill would authorize the state board to approve a charter for the operation of a state charter school that may operate at one or multiple sites throughout the state.

Existing law authorizes the state board to grant a petition for the operation of a state charter school only if it finds that the proposed state charter school would provide instructional services of statewide benefit that cannot be provided by a charter school operating in only one school district, or only in one county.

This bill would instead authorize the state board to grant a petition for the operation of a state charter school only if it is satisfied that the charter school petitioners have demonstrated that the proposed state charter school will provide a high-quality educational program and it finds that the proposed state charter school will provide instructional services of statewide benefit.

The bill would require the state board, as part of the determination of the statewide benefit, to ensure that the proposed charter school has described in the petition the manner in which the charter school will seek to share best and promising practices of the charter school with other traditional public schools and charter schools that have low academic performance. The bill would authorize the state board to establish other criteria or conditions to determine or define a statewide benefit.

(6) Existing law authorizes a chartering authority that is given the responsibility for supervisory oversight of a charter school approved by the state board to charge the charter school for the actual costs of supervisory oversight.

This bill would require that chartering authority to submit annually a financial statement to each charter school it oversees that accounts for the use of any oversight fees collected from the charter school.

Existing law authorizes charter schools to separately purchase administrative or other services from the chartering authority.

This bill would require the charter school governing body and the governing board of the chartering authority to each approve any services agreements between the charter school and the chartering authority in a public meeting and make a finding that documents the validity of the fair market value of the agreement. The bill would authorize a county superintendent of schools to, based upon a written complaint or other information that justifies an investigation, conduct an investigation, as specified, to determine whether the school district has used supervisory oversight fees properly or has charged service fees far in excess of fair market value. The bill also authorizes the Superintendent of Public Instruction to, based upon a written complaint or other information that justifies an investigation, conduct an investigation into a chartering county office of education’s compliance with these provisions.

Existing law defines “costs of supervisory oversight” for the above purposes.

This bill would require a school district to include charter school oversight fees in its annual audit, as specified.

(7) This bill would also correct cross-references, make conforming changes, and make other nonsubstantive changes.

(8) To the extent the bill would impose additional duties on school districts and county offices of education, the bill would impose a state-mandated local program.

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. Section 47604.6 is added to the Education Code,
2 to read:
3 47604.6. (a) A school district, county office of education, or
4 charter school may file a grievance with the state board alleging
5 a violation of an obligation of a chartering authority. The grievance
6 may be submitted based on evidence provided by a third party.

1 The grievance shall describe the specific violation prompting the
2 grievance, the provision of code or regulation that is being violated
3 or misapplied by the chartering authority, and any specific evidence
4 available to support the claim.

5 (b) The state board’s Advisory Commission on Charter Schools
6 shall hold a public hearing on the grievance and, if it finds the
7 complaint meritorious, make a specific recommendation to the
8 state board, which may include specific corrective action or
9 suspension or revocation of the chartering authority’s authority to
10 approve, oversee, renew, or revoke charters in accordance with
11 Sections 47605 and 47607.

12 (c) The procedure established by this section may be pursued
13 in addition to or instead of seeking a judicial remedy. Nothing in
14 this section shall limit or prevent any party from seeking a judicial
15 remedy for a complaint related to a chartering authority.

16 (d) The state board may adopt regulations to implement this
17 section.

18 SEC. 2. Section 47604.7 is added to the Education Code, to
19 read:

20 47604.7. (a) The state board may approve a county office of
21 education or a school district with demonstrated authorizing and
22 oversight capacity to serve as an expanded authorizer of charter
23 schools allowing that chartering entity to assume the charter school
24 authorizing, supervisory, and oversight responsibilities of another
25 school district if any of the following occur:

26 (1) The state board revokes and reassigns a school district’s
27 responsibilities following a hearing pursuant to Section 47604.6
28 or other determination by the state board in which the state board
29 finds the school district has substantially violated a provision of
30 this part and the effectiveness of corrective action seems unlikely
31 to ensure compliance with this part and good authorizing practices.

32 (2) A school district with fewer than 1,000 units of average
33 daily attendance requests the state board to suspend and reassign
34 the school district’s chartering responsibilities. A school district
35 may only request the responsibilities to be suspended and
36 reassigned after the governing board of the school district has
37 passed a resolution, in an open public meeting, requesting that the
38 state board reassign the school district’s responsibilities. The
39 reassignment shall only be effective after the approval of the
40 request by the expanded authorizer and the state board.

1 (3) A nonprofit public benefit corporation that operates more
2 than one charter school in the state requests a county office of
3 education or school district in which it operates a charter school
4 to consolidate all of its existing and future nonprofit charter schools
5 under the supervision and oversight of that chartering authority,
6 and that chartering authority requests the state board to become
7 an expanded authorizer for the nonprofit public benefit corporation.
8 In addition to the requirements of subdivision (d), the request to
9 the state board shall include a process for the expanded authorizer
10 to review the overall fiscal and operational health of the nonprofit
11 public benefit corporation as part of its supervision and oversight
12 responsibilities.

13 (4) Notwithstanding the geographic restriction of subdivision
14 (k) of Section 47605, and in addition to the authority provided in
15 subdivision (k) of Section 47605, the state board appoints one or
16 more expanded authorizers to supervise and oversee charter schools
17 that the state board approves pursuant to subdivision (j) of Section
18 47605.

19 (b) In approving an expanded authorizer, the state board shall
20 consider the capacity and quality of chartering practices of the
21 chartering authority and give priority to high-quality chartering
22 authorities within the county of a school district whose
23 responsibilities are being reassigned.

24 (c) The state board may impose geographic constraints on an
25 expanded authorizer's authority to approve new charter schools,
26 but charter schools approved by an expanded authorizer are
27 otherwise exempt from Section 47605.1 and the geographic
28 restrictions of Section 47605. However, a resource center
29 established for nonclassroom-based, independent study pupils shall
30 operate in accordance with subdivision (c) of Section 47605.1.

31 (d) The state board shall adopt application criteria, a process,
32 and a timeline to approve expanded authorizers that allows for at
33 least one application cycle each year. A county board of education
34 or school district seeking to be approved as an expanded authorizer
35 shall submit an application to the state board for consideration and
36 action. At a minimum, the application shall include:

37 (1) A charter approval plan, including a description of how the
38 chartering authority would apply the criteria and timeline to
39 evaluate and approve charter petitions pursuant to subdivision (b)
40 of Section 47605.

1 (2) A local engagement plan to ensure that the governing board
2 of the school district and the community in which a charter school
3 would be located are notified of the proposed charter school and
4 provided with an opportunity to comment on each proposed charter
5 school. Engagement activities shall include, but not be limited to,
6 one public hearing in the community in which a charter school
7 would be located and a process for the chartering authority to
8 consider and resolve concerns about the charter school by the
9 community, including the governing board of the school district
10 in which the charter school would be located.

11 (3) A charter school oversight plan, including a description of
12 the chartering authority’s capacity and expertise in approving and
13 overseeing charter schools and how the chartering authority plans
14 to expand its capacity to accommodate additional charter schools.
15 The plan shall, at a minimum, ensure compliance with Section
16 47604.32 and outline the provisions of any memoranda of
17 understanding that may be necessary between a charter school and
18 the chartering authority.

19 (4) Assurance that the chartering authority will generally align
20 with nationally recognized principles and standards of charter
21 authorizing and oversight, as amended by the state board to
22 conform with California’s authorizing statute, to ensure chartering
23 authority quality and accountability.

24 (5) A plan for annual reporting to the state board and to the
25 governing boards of each school district in which charter schools
26 approved by the chartering authority would be located, describing
27 chartering activities, charter school academic performance, and
28 the fiscal viability of each charter school it would oversee pursuant
29 to this section.

30 (e) Nothing in this section shall be construed to limit or change
31 the authority of school districts, county boards of education, or the
32 state board to authorize charter schools pursuant to Section 47605,
33 47605.5, 47605.6, 47605.8, or 47606.

34 (f) An operating charter school that comes under the oversight
35 of an expanded authorizer shall continue to operate under the terms
36 and conditions of its approved charter petition and shall not be
37 deemed a new charter school. The charter school shall retain all
38 of its financial and operational practices and status as a continuing
39 charter school, including, but not limited to, funding eligibility,

1 demographic data, school codes, employment, enrollment
2 eligibility, and accountability status.

3 (g) An expanded authorizer shall comply with all laws and
4 requirements of chartering authorities imposed by this part,
5 including, but not limited to, all provisions related to charter school
6 approval, oversight, renewal, and revocation.

7 (h) A charter school approved by an expanded authorizer shall
8 comply with all provisions applicable to charter schools under this
9 part.

10 SEC. 3. Section 47605 of the Education Code is amended to
11 read:

12 47605. (a) (1) Except as set forth in paragraph (2), a petition
13 for the establishment of a charter school within a school district
14 may be circulated by one or more persons seeking to establish the
15 charter school. A petition for the establishment of a charter school
16 shall identify a single charter school that will operate within the
17 geographic boundaries of that school district. A charter school
18 may propose to operate at multiple sites within the school district
19 if each location is identified in the charter school petition. The
20 petition may be submitted to the governing board of the school
21 district for review after either of the following conditions is met:

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

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

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

38 (3) A petition shall include a prominent statement that a
39 signature on the petition means that the parent or legal guardian
40 is meaningfully interested in having his or her child or ward attend

1 the charter school, or in the case of a teacher's signature, means
2 that the teacher is meaningfully interested in teaching at the charter
3 school. The proposed charter shall be attached to the petition.

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

12 (5) A charter school that is unable to locate within the
13 jurisdiction of the chartering school district may establish one site
14 outside the boundaries of the school district, but within the county
15 in which that school district is located, if the school district within
16 the jurisdiction of which the charter school proposes to operate is
17 notified in advance of the charter petition approval, the county
18 superintendent of schools and the Superintendent are notified of
19 the location of the charter school before it commences operations,
20 and either of the following circumstances exists:

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

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

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

31 (b) No later than 30 days after receiving a petition, in accordance
32 with subdivision (a), the governing board of the school district
33 shall hold a public hearing on the provisions of the charter, at
34 which time the governing board of the school district shall consider
35 the level of support for the petition by teachers employed by the
36 school district, other employees of the school district, and parents.
37 Following review of the petition and the public hearing, the
38 governing board of the school district shall either grant or deny
39 the charter within 60 days of receipt of the petition, provided,
40 however, that the date may be extended by an additional 30 days

1 if both parties agree to the extension. In reviewing petitions for
2 the establishment of charter schools pursuant to this section, the
3 chartering authority shall be guided by the intent of the Legislature
4 that charter schools are and should become an integral part of the
5 California educational system and that the establishment of charter
6 schools should be encouraged. The governing board of the school
7 district shall grant a charter for the operation of a school under this
8 part if it is satisfied that granting the charter is consistent with
9 sound educational practice. The governing board of the school
10 district shall not deny a petition for the establishment of a charter
11 school unless it makes written factual findings, specific to the
12 particular petition, setting forth specific facts *based on substantial*
13 *evidence that is provided to the petitioners and made available to*
14 *the public before the meeting* to support one or more of the
15 following findings:

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

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

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

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

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

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

32 (ii) The annual goals for the charter school for all pupils and
33 for each subgroup of pupils identified pursuant to Section 52052,
34 to be achieved in the state priorities, as described in subdivision
35 (d) of Section 52060, that apply for the grade levels served, or the
36 nature of the program operated, by the charter school, and specific
37 annual actions to achieve those goals. A charter petition may
38 identify additional school priorities, the goals for the school
39 priorities, and the specific annual actions to achieve those goals.

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

11 (B) The measurable pupil outcomes identified for use by the
12 charter school. “Pupil outcomes,” for purposes of this part, means
13 the extent to which all pupils of the school demonstrate that they
14 have attained the skills, knowledge, and attitudes specified as goals
15 in the school’s educational program. Pupil outcomes shall include
16 outcomes that address increases in pupil academic achievement
17 both schoolwide and for all groups of pupils served by the charter
18 school, as that term is defined in subparagraph (B) of paragraph
19 (3) of subdivision (a) of Section 47607. The pupil outcomes shall
20 align with the state priorities, as described in subdivision (d) of
21 Section 52060, that apply for the grade levels served, or the nature
22 of the program operated, by the charter school.

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

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

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

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

38 (G) 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 (H) Admission requirements, if applicable.

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

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

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

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

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

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

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

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

33 (c) (1) Charter schools shall meet all statewide standards and
34 conduct the pupil assessments required pursuant to Sections 60605
35 and 60851 and any other statewide standards authorized in statute
36 or pupil assessments applicable to pupils in noncharter public
37 schools.

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

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

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

15 (B) If the number of pupils who wish to attend the charter school
16 exceeds the school's capacity, attendance, except for existing pupils
17 of the charter school, shall be determined by a public random
18 drawing. Preference shall be extended to pupils currently attending
19 the charter school and pupils who reside in the district except as
20 provided for in Section 47614.5. Other preferences may be
21 permitted by the chartering authority on an individual school basis
22 and only if consistent with the law.

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

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

35 (e) The governing board of a school district shall not require an
36 employee of the school district to be employed in a charter school.

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

39 (g) The governing board of a school district shall require that
40 the petitioner or petitioners provide information regarding the

1 proposed operation and potential effects of the charter school,
2 including, but not limited to, the facilities to be used by the school,
3 the manner in which administrative services of the school are to
4 be provided, and potential civil liability effects, if any, upon the
5 school and upon the school district. The description of the facilities
6 to be used by the charter school shall specify where the school
7 intends to locate. The petitioner or petitioners shall also be required
8 to provide financial statements that include a proposed first-year
9 operational budget, including startup costs, and cashflow and
10 financial projections for the first three years of operation.

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

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

23 (j) (1) If the governing board of a school district denies a
24 petition, *or, if after a charter petitioner submits a charter, fails to*
25 *act on the petition within the timelines required in subdivision (b),*
26 *or the governing board of a school district fails to adopt findings*
27 *to deny a petition as required in subsection (b),* the petitioner may
28 elect to submit the petition for the establishment of a charter school
29 to the county board of education. The county board of education
30 shall review *and act on* the petition pursuant to subdivision (b). If
31 the petitioner elects to submit a petition for establishment of a
32 charter school to the county board of education and the county
33 board of education denies the petition, *fails to adopt findings to*
34 *deny a petition as required in subsection (b), or fails to act on the*
35 *petition within the timelines required in subdivision (b),* the
36 petitioner may file a petition for establishment of a charter school
37 with the state board, and the state board may approve the petition,
38 in accordance with subdivision (b). A charter school that receives
39 approval of its petition from a county board of education or from
40 the state board on appeal shall be subject to the same requirements

1 concerning geographic location to which it would otherwise be
2 subject if it received approval from the entity to which it originally
3 submitted its petition. A charter petition that is submitted to either
4 a county board of education or to the state board shall meet all
5 otherwise applicable petition requirements, including the
6 identification of the proposed site or sites where the charter school
7 will operate.

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

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

21 (4) ~~If either the county board of education or the state board~~
22 fails to act on a petition within 120 days of receipt, the decision
23 of the governing board of the school district to deny a petition shall
24 be subject to judicial review.

25 (5) The state board shall adopt regulations implementing this
26 subdivision.

27 (6) Upon the approval of the petition by the county board of
28 education, the petitioner or petitioners shall provide written notice
29 of that approval, including a copy of the petition to the department
30 and the state board.

31 (k) (1) The state board may, by mutual agreement, designate
32 its supervisory and oversight responsibilities for a charter school
33 approved by the state board to any local educational agency in the
34 county in which the charter school is ~~located~~ or *located*, to the
35 governing board of the school district that first denied the ~~petition~~
36 *petition, or to a county office of education.*

37 (2) The designated local educational agency shall have all
38 monitoring and supervising authority of a chartering agency,
39 including, but not limited to, powers and duties set forth in Section

1 47607, except the power of revocation, which shall remain with
2 the state board.

3 (3) A charter school that is granted its charter through an appeal
4 to the state board *or a county board of education* and elects to seek
5 renewal of its charter ~~shall~~, *may*, before expiration of the charter,
6 submit its petition for renewal to the governing board of the school
7 district that initially denied the charter. If the governing board of
8 the school district denies the charter school's petition for renewal,
9 the school may petition ~~the state board~~ *its current chartering*
10 *authority* for renewal of its charter.

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

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

29 SEC. 4. Section 47605.6 of the Education Code is amended to
30 read:

31 47605.6. (a) (1) In addition to the authority provided by
32 Section 47605.5, a county board of education may also approve a
33 petition for the operation of a charter school that operates at one
34 or more sites within the geographic boundaries of the county and
35 that provides instructional services that are not generally provided
36 by a county office of education. A county board of education may
37 approve a countywide charter only if it finds, in addition to the
38 other requirements of this section, that the educational services to
39 be provided by the charter school will offer services to a pupil
40 population that will benefit from those ~~services and that cannot be~~

1 ~~served as well by a charter school that operates in only one school~~
2 ~~district in the county.~~ *services.* A petition for the establishment of
3 a countywide charter school pursuant to this subdivision may be
4 circulated throughout the county by any one or more persons
5 seeking to establish the charter school. The petition may be
6 submitted to the county board of education for review after either
7 of the following conditions is met:

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

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

22 (2) An existing public school shall not be converted to a charter
23 school in accordance with this section.

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

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

1 (b) No later than 60 days after receiving a petition, in accordance
2 with subdivision (a), the county board of education shall hold a
3 public hearing on the provisions of the charter, at which time the
4 county board of education shall consider the level of support for
5 the petition by teachers, parents or guardians, and the school
6 districts where the charter school petitioner proposes to place
7 school facilities. Following review of the petition and the public
8 hearing, the county board of education shall either grant or deny
9 the charter within 90 days of receipt of the petition. However, this
10 date may be extended by an additional 30 days if both parties agree
11 to the extension. A county board of education may impose any
12 additional requirements beyond those required by this section that
13 it considers necessary for the sound operation of a countywide
14 charter school. A county board of education may grant a charter
15 for the operation of a school under this part only if it is satisfied
16 that granting the charter is consistent with sound educational
17 practice and that the charter school ~~has reasonable justification for~~
18 ~~why it could not be established by petition to a school district~~
19 ~~pursuant to Section 47605.~~ *petitioners have demonstrated that the*
20 *charter school will provide a high-quality educational program.*
21 *The county board of education shall also ensure that the charter*
22 *school has described in the petition the manner in which the*
23 *charter school will seek to share best and promising practices of*
24 *the charter school with other traditional public schools and charter*
25 *schools that have low academic performance.* The county board
26 of education shall deny a petition for the establishment of a charter
27 school if it 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) The educational program of the charter school, designed,
39 among other things, to identify those pupils whom the charter
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) The annual goals for the charter school for all pupils and
6 for each subgroup of pupils identified pursuant to Section 52052,
7 to be achieved in the state priorities, as described in subdivision
8 (d) of Section 52060, that apply for the grade levels served, or the
9 nature of the program operated, by the charter school, and specific
10 annual actions to achieve those goals. A charter petition may
11 identify additional school priorities, the goals for the school
12 priorities, and the specific annual actions to achieve those goals.

13 (iii) If the proposed charter school will enroll high school pupils,
14 the manner in which the charter school will inform parents
15 regarding the transferability of courses to other public high schools.
16 Courses offered by the charter school that are accredited by the
17 Western Association of Schools and Colleges may be considered
18 to be transferable to other public high schools.

19 (iv) If the proposed charter school will enroll high school pupils,
20 information as to the manner in which the charter school will
21 inform parents as to whether each individual course offered by the
22 charter school meets college entrance requirements. Courses
23 approved by the University of California or the California State
24 University as satisfying their prerequisites for admission may be
25 considered as meeting college entrance requirements for purposes
26 of this clause.

27 (B) The measurable pupil outcomes identified for use by the
28 charter school. “Pupil outcomes,” for purposes of this part, means
29 the extent to which all pupils of the school demonstrate that they
30 have attained the skills, knowledge, and aptitudes specified as
31 goals in the school’s educational program. Pupil outcomes shall
32 include outcomes that address increases in pupil academic
33 achievement both schoolwide and for all groups of pupils served
34 by the charter school, as that term is defined in subparagraph (B)
35 of paragraph (3) of subdivision (a) of Section 47607. The pupil
36 outcomes shall align with the state priorities, as described in
37 subdivision (d) of Section 52060, that apply for the grade levels
38 served, or the nature of the program operated, by the charter school.

39 (C) The method by which pupil progress in meeting those pupil
40 outcomes is to be measured. To the extent practicable, the method

1 for measuring pupil outcomes for state priorities shall be consistent
2 with the way information is reported on a school accountability
3 report card.

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

6 (E) The governance structure of the charter school, including,
7 but not limited to, the process to be followed by the charter school
8 to ensure parental involvement.

9 (F) The qualifications to be met by individuals to be employed
10 by the charter school.

11 (G) The procedures that the charter school will follow to ensure
12 the health and safety of pupils and staff. These procedures shall
13 include the requirement that each employee of the charter school
14 furnish it with a criminal record summary as described in Section
15 44237.

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

20 (I) The manner in which annual, independent, financial audits
21 shall be conducted, in accordance with regulations established by
22 the state board, and the manner in which audit exceptions and
23 deficiencies shall be resolved.

24 (J) The procedures by which pupils can be suspended or
25 expelled.

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

29 (L) The procedures to be followed by the charter school and the
30 county board of education to resolve disputes relating to provisions
31 of the charter.

32 (M) Admission requirements of the charter school, if applicable.

33 (N) The public school attendance alternatives for pupils residing
34 within the county who choose not to attend the charter school.

35 (O) The rights of an employee of the county office of education,
36 upon leaving the employment of the county office of education,
37 to be employed by the charter school, and any rights of return to
38 the county office of education that an employee may have upon
39 leaving the employ of the charter school.

1 (P) The procedures to be used if the charter school closes. The
2 procedures shall ensure a final audit of the school to determine the
3 disposition of all assets and liabilities of the charter school,
4 including plans for disposing of any net assets and for the
5 maintenance and transfer of public records.

6 (6) A declaration of whether or not the charter school shall be
7 deemed the exclusive public school employer of the employees of
8 the charter school for purposes of the Educational Employment
9 Relations Act (Chapter 10.7 (commencing with Section 3540) of
10 Division 4 of Title 1 of the Government Code).

11 (7) Any other basis that the county board of education finds
12 justifies the denial of the petition.

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

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

27 (2) Charter schools shall on a regular basis consult with their
28 parents and teachers regarding the charter school’s educational
29 programs.

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

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

1 (B) If the number of pupils who wish to attend the charter school
2 exceeds the school's capacity, attendance, except for existing pupils
3 of the charter school, shall be determined by a public random
4 drawing. Preference shall be extended to pupils currently attending
5 the charter school and pupils who reside in the county except as
6 provided for in Section 47614.5. Other preferences may be
7 permitted by the chartering authority on an individual school basis
8 and only if consistent with the law.

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

13 (f) The county board of education shall not require an employee
14 of the county or a school district to be employed in a charter school.

15 (g) The county board of education shall not require a pupil
16 enrolled in a county program to attend a charter school.

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

29 (i) In reviewing petitions for the establishment of charter schools
30 within the county, the county board of education shall give
31 preference to petitions that demonstrate the capability to provide
32 comprehensive learning experiences to pupils identified by the
33 petitioner or petitioners as academically low achieving pursuant
34 to the standards established by the department under Section 54032,
35 as that section read before July 19, 2006.

36 (j) Upon the approval of the petition by the county board of
37 education, the petitioner or petitioners shall provide written notice
38 of that approval, including a copy of the petition, to the school
39 districts within the county, the Superintendent, and to the state
40 board.

1 (k) If a county board of education denies a petition, the petitioner
2 may ~~not elect to~~ submit the petition for the establishment of the
3 charter school to the state ~~board~~. *board in accordance with*
4 *subdivision (j) of Section 47605. If a county board of education*
5 *does not renew, or revokes a petition approved in accordance with*
6 *this section, the petitioner may submit the petition for appeal to*
7 *the state board in accordance with Sections 47607 and 47607.5.*

8 (l) Teachers in charter schools shall be required to hold a
9 Commission on Teacher Credentialing certificate, permit, or other
10 document equivalent to that which a teacher in other public schools
11 would be required to hold. These documents shall be maintained
12 on file at the charter school and shall be subject to periodic
13 inspection by the chartering authority. *It is the intent of the*
14 *Legislature that charter schools be given flexibility with regard*
15 *to noncore, noncollege preparatory courses.*

16 (m) A charter school shall transmit a copy of its annual,
17 independent, financial audit report for the preceding fiscal year,
18 as described in subparagraph (I) of paragraph (5) of subdivision
19 (b), to the county office of education, the Controller, and the
20 department by December 15 of each year. This subdivision does
21 not apply if the audit of the charter school is encompassed in the
22 audit of the chartering entity pursuant to Section 41020.

23 SEC. 5. Section 47605.8 of the Education Code is amended to
24 read:

25 47605.8. (a) A petition for the operation of a state charter
26 school may be submitted directly to the state board, and the state
27 board shall have the authority to approve a charter for the operation
28 of a state charter school that may operate at *one or* multiple sites
29 throughout the state. ~~The State Board of Education~~ *state board*
30 shall adopt regulations, pursuant to the Administrative Procedure
31 Act (Chapter ~~5~~ 3.5 (commencing with Section ~~11500~~ 11340) of
32 Part 1 of Division 3 of Title 2 of the Government Code) for the
33 implementation of this section. Regulations adopted pursuant to
34 this section shall ensure that a charter school approved pursuant
35 to this section meets all requirements otherwise imposed on charter
36 schools pursuant to this part, except that a state charter school
37 approved pursuant to this section shall not be subject to the
38 geographic and site limitations otherwise imposed on charter
39 schools. The petitioner shall submit a copy of the petition, for
40 notification purposes, to the county superintendent of schools of

1 each county in which the petitioner proposes to operate the state
2 charter school. The petitioner also shall ensure that the governing
3 board of each school district in which a site is proposed to be
4 located is notified no later than 120 days ~~prior to~~ *before* the
5 commencement of instruction at each site, as applicable.

6 (b) The state board shall not approve a petition for the operation
7 of a state charter school pursuant to this section unless the
8 *petitioners have demonstrated that the proposed state charter*
9 *school will provide a high-quality educational program and the*
10 *state board makes a finding, based on substantial evidence, finding*
11 *that the proposed state charter school will provide instructional*
12 *services of statewide benefit that cannot be provided by a charter*
13 *school operating in only one school district, or only in one county.*
14 *benefit. As part of the determination of the statewide benefit, the*
15 *state board shall ensure that the proposed state charter school*
16 *has described in the petition the manner in which the charter*
17 *school will seek to share best and promising practices of the*
18 *charter school with other traditional public schools and charter*
19 *schools that have low academic performance. The state board may*
20 *establish other criteria or conditions to determine or define a*
21 *statewide benefit.* The finding of the state board in this regard shall
22 be made part of the public record of the proceedings of the state
23 board and shall precede the approval of the charter.

24 (c) The state board, as a condition of charter petition approval,
25 may enter into an agreement with a third party, at the expense of
26 the charter school, to oversee, monitor, and report on, the
27 operations of the state charter school. The state board may prescribe
28 the aspects of the operations of the state charter school to be
29 monitored by the third party and may prescribe appropriate
30 requirements regarding the reporting of information concerning
31 the operations of the state charter school to the state board.

32 (d) The state board shall not be required to approve a petition
33 for the operation of a state charter school, and may deny approval
34 based on any of the reasons set forth in subdivision (b) of Section
35 47605.6.

36 SEC. 6. Section 47613 of the Education Code is amended to
37 read:

38 47613. (a) Except as set forth in subdivision (b), a chartering
39 authority may charge for the actual costs of supervisorial oversight

1 of a charter school not to exceed 1 percent of the revenue of the
2 charter school.

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

7 (c) A local educational agency that is given the responsibility
8 for supervisory oversight of a charter school, pursuant to
9 paragraph (1) of subdivision (k) of Section 47605, may charge for
10 the actual costs of supervisory oversight, and administrative costs
11 necessary to secure charter school funding. A charter school that
12 is charged for costs under this subdivision may not be charged
13 pursuant to subdivision (a) or (b). *The chartering authority shall*
14 *submit annually a financial statement to each charter school that*
15 *it oversees that accounts for the use of any oversight fees collected*
16 *from the charter school.*

17 (d) This section does not prevent the charter school from
18 separately purchasing administrative or other services from the
19 chartering authority or any other ~~source~~. *source at fair market*
20 *value. The charter school governing body and the governing board*
21 *of the chartering authority shall each approve any services*
22 *agreements between the charter school and the chartering authority*
23 *in a public meeting and shall make a finding that documents the*
24 *validity of the fair market value of the agreement. However, the*
25 *chartering authority shall not condition the approval of a charter*
26 *petition on an agreement by the charter school to purchase*
27 *administrative or other services from the chartering authority.*

28 (e) (1) A county superintendent of schools may, based upon a
29 written complaint or other information that justifies an
30 investigation, conduct an investigation into a school district's
31 compliance with subdivisions (a) to (d), inclusive, for any school
32 district located within the county. *The investigation shall determine*
33 *whether the school district has used supervisory oversight fees*
34 *collected pursuant to this section for the purpose of funding the*
35 *oversight responsibilities pursuant to Section 47604.32, or charged*
36 *service fees far in excess of fair market value. The county*
37 *superintendent of schools shall report the findings of the*
38 *investigation to the county board of education.*

39 (2) *If the county board of education finds that the school district*
40 *violated this section, both of the following shall occur:*

1 (A) The school district shall reimburse the charter school all
2 of the fees collected from the charter school for oversight purposes
3 that were not used for oversight purposes or service fees deemed
4 to be in excess of fair market value. The amount to be reimbursed
5 shall be determined by the county board of education as part of
6 their action to accept the finding of the investigation. The county
7 board of education may impose a reasonable interest rate on the
8 illegal fees collected.

9 (B) The school district shall submit an annual report to the
10 county superintendent of schools documenting compliance with
11 the oversight responsibilities in Section 47604.32 and the
12 associated costs and fees until the end of the term of the charter
13 that was subject to excess fees.

14 (3) (A) If a complainant is not satisfied with the response of
15 the county board of education, the complainant may submit a
16 written grievance pursuant to Section 47604.6.

17 (B) If the state board finds that the school district violated this
18 section, the school district shall comply with subparagraphs (A)
19 and (B) of paragraph (2), except that annual reports shall be
20 submitted to the Superintendent.

21 (4) If the county superintendent of schools concludes that the
22 school district has violated any of subdivisions (a) to (d), inclusive,
23 the school district may appeal that decision to the Superintendent.

24 (5) The Superintendent may, based upon a written complaint
25 or other information that justifies an investigation, conduct an
26 investigation into a chartering county office of education's
27 compliance with subdivisions (a) to (d), inclusive. The
28 Superintendent and the chartering county office of education shall
29 be subject to the provisions of subparagraphs (A) and (B) of
30 paragraph (2).

31 ~~(e)~~

32 (f) For purposes of this section, "chartering authority" means a
33 school district, county board of education, or the state board, that
34 granted the charter to the charter school.

35 ~~(f)~~

36 (g) For purposes of this section, "revenue of the charter school"
37 means the amount received in the current fiscal year from the local
38 control funding formula calculated pursuant to Section 42238.02,
39 as implemented by Section 42238.03.

40 ~~(g)~~

1 (h) For purposes of this section, “costs of supervisory
2 oversight” include, but are not limited to, costs incurred pursuant
3 to Section 47607.3. *The use of charter school oversight fees shall*
4 *be included in the school district’s annual audit conducted*
5 *pursuant to Section 41020.*

6 SEC. 7. If the Commission on State Mandates determines that
7 this act contains costs mandated by the state, reimbursement to
8 local agencies and school districts for those costs shall be made
9 pursuant to Part 7 (commencing with Section 17500) of Division
10 4 of Title 2 of the Government Code.

O