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THIRD READING

SENATE RULES COMMITTEE Office of Senate Floor Analyses 1020 N Street, Suite 524 445-6614	Bill No.	SB 1448
	Author:	Hart (D), et al
	Amended:	6/1/92
	Vote Required:	21

Committee Votes:

Senate Floor Vote:

COMMITTEE: EDUCATION		
BILL NO.:	AYE	NO
SB 1448		
DATE OF HEARING:		
4-8-92		
SENATORS:		
Deddeh		✓
Dills		✓
C. Green		✓
L. Greene		✓
Johnston	✓	
Killea	✓	
Leslie	✓	
Torres	✓	
Watson		✓
Morgan (VC)	✓	
Hart (Ch)	✓	
TOTAL:	6	5

COMMITTEE: APPROPRIATIONS		
BILL NO.:	AYE	NO
SB 1448		
DATE OF HEARING:		
3-27-92		
SENATORS:		
Alquist	✓	
Avala		✓
Bergeson	✓	
Davis	✓	
Dills		✓
L. Greene		✓
Johnston	✓	
Killea	✓	
Leonard	✓	
Lockyer	✓	
Beverly (VC)		✓
Presley (Ch)	✓	
TOTAL:	8	4

Assembly Floor Vote:

SUBJECT: Charter schools

SOURCE: Author

DIGEST: This bill establishes a procedure for any person to petition school district governing boards for approval to establish up to 100 charter schools and an unspecified number of charter school districts.

Senate Floor Amendments of 6/1/92 specify that no charter school may be established which authorizes the conversion of any private school to a public charter school.

ANALYSIS: Under current law, public elementary and secondary schools are operated under the governance of school districts and county offices of education and are regulated by a variety of statutes and regulations.

This bill:

1. Allows any one or more persons to circulate a petition for the establishment of a charter school within any school district. Requires the petition to be signed by not less than 10 percent of the teachers employed by the school district, or not less than 50 percent of the teachers employed at a school site and authorizes the petitioners to submit the petition to the governing board of the school district for review and action.
2. Limits to 100 the number of charter schools which can operate in the state, and specifies that no more than 10 charter schools can exist in a single school

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- district. Requires the petitioners to submit written notice to the State Board of Education (SBE), upon approval of the petition by the governing board. The SBE is required to assign a number to each charter notice it receives based on the chronological order in which the notice is received.
3. Specifies that no charter school may be established which authorizes the conversion of any private school to a public charter school.
 4. Requires the governing board to hold a public hearing on the charter petition within 30 days to review the petition and consider the level of employee and parental support for the charter petition. Requires the board to either grant or deny the charter within 60 days of the receipt of the petition. The deadline for action can be extended by 30 days, upon mutual agreement by the petitioners and the governing board members.
 5. Requires the charter school petition to contain specified elements including (a) the measurable pupil outcomes, as defined, for use by the charter school; (b) the method by which pupil progress in meeting those pupil outcomes is to be measured; (c) the governance structure of the school; (d) the qualifications to be met by individuals to be employed by the school; (e) health and safety procedures to be followed for students and staff; (f) the means by which the school will achieve a racial and ethnic balance among its pupils which reflects the school district's pupil enrollment; (g) admission requirements, if applicable; (h) the manner in which annual fiscal and programmatic audits will be conducted; (i) procedures by which pupils can be expelled or suspended; (j) the manner in which employees will be covered for retirement benefits; and (k) a description of employees' employment rights to leave an existing district position and return to a position following charter school employment. Requires charter petitions which request conversion of an existing school to charter status to contain a provision which specifies alternative public school attendance arrangements for pupils residing in the school's attendance area who choose not to attend a charter school.
 6. Specifies that the charter school shall be nonsectarian in its programs, admission policies, employment practices and all other operations. Prohibits charter schools from charging tuition and discriminating against any pupil on the basis of ethnicity, national origin, gender, or disability. Requires charter schools to meet the statewide performance standards developed under the California Assessment Program (CAP) and administer the statewide pupil assessments.
 7. Specifies that admission to a charter school shall not be determined according to the residence of the pupil or his or her parent or guardian. Specifies that employment and pupil attendance at charter schools is entirely voluntary.
 8. Provides that, if the local governing board denies the charter request, the petitioners may submit a request for a charter to the State Board of Education (SBE). Requires that charters granted at the state level must be granted jointly by the SBE and the Superintendent of Public Instruction (SPI).
 9. Allows any school district to convert all of its schools to charter schools if the following conditions are met: (a) 50 percent of the teachers within the district sign the charter petition, and (b) the charter petition contains all of the requirements specified in this bill plus a provision which specifies alternative public school attendance arrangements for pupils residing with the district but choosing not to attend charter schools. Charter petitions

requesting conversion of the entire district are required to be approved by joint action of the SBE and the SPI.

10. Specifies that a charter may be granted for up to five years, and authorizes the charter-granting agency to grant one or more subsequent renewals, each for an additional five-year period. Provides that material revisions to the charter can be made only with the approval of the charter-granting agency.
11. Requires charter schools to comply with all the provisions in its charter petition, but otherwise exempts these schools from the laws governing school districts.
12. Allows the charter-granting agency to revoke a school's charter if the charter school does any of the following: (a) commits a material violation of any of the conditions, standards, or procedures set forth in the charter petition; (b) fails to meet or pursue any of the pupil outcomes identified in the charter petition; (c) fails to meet generally accepted accounting standards of fiscal management; or (d) violates any provision of law.
13. Authorizes charter schools to (a) receive state funding in the amount equal to the current fiscal year base revenue limit for the school district to which the charter petition was presented for each pupil enrolled in the charter school, (b) receive categorical funding for pupils who are eligible for such funding, and (c) receive funding for each pupil enrolled in the school who is entitled to special education services in an amount equal to the amount the pupils would have generated had they been enrolled in the district to which the charter petition was presented.
14. Requires the SBE to widely disseminate information announcing the availability of the charter school process.

Comment

Several other states, including Connecticut, Florida, Massachusetts, Michigan and Tennessee, are considering legislation to establish charter schools as a way to provide expanded educational opportunities within the public school system. Minnesota was the first state to enact a charter school law in 1991, which authorizes eight charter schools to be established in that state.

FISCAL EFFECT: Appropriation: No Fiscal Committee: Yes Local: Yes

According to the Senate Appropriations Committee analysis:

"Most of the costs of this bill would count towards meeting the minimum funding guarantee requirements of Proposition 98.

"The bill could result in an increase in the state's ADA (thereby increasing the Prop. 98 guarantee under Tests 3 and 2) resulting from (1) private schools' obtaining a charter and (2) charter schools' attracting students from private schools. The resulting state costs could be at least several millions of dollars annually if only one private school obtained a charter or if only several hundred students returned to public schools.

"The bill provides that a charter school would receive basic per-pupil funding equal to the current fiscal year base revenue limit for the school district to which the

charter petition was presented. This could have a redistribution effect within a district since not all schools receive the same amount per pupil, e.g., high schools usually receive more than elementary schools. The bill also would allow charter schools to receive an amount of special education funding that is equal to the amount the pupils would have generated had they been enrolled in the district to which the charter petition was presented.

"The bill could result in unknown General Fund (non-Prop. 98) costs for SDE to (1) review charter requests from petitioners who were denied a charter by their local boards and (2) modify its apportionment system.

"The bill also creates a state-mandated local program by requiring school boards to hold hearings and to review and respond to charter proposals within a specified time frame. DOF shows costs of \$500 per hearing. We believe there could be additional significant costs associated with reviewing and responding to the petitions, depending upon the thoroughness of school boards' review."

SUPPORT: (Verified 5/27/92)

State Department of Education
Church State Council
Small School District Association
California School Boards Association
California State PTA

OPPOSITION: (Verified 5/27/92)

California School Employees Association
California Teachers Association
Service Employees International Union - California State Council
California Federation of Teachers, AFT, AFL-CIO

ARGUMENTS IN SUPPORT: Proponents argue that the establishment of schools that operate independently from the existing school district structure will (1) improve pupil learning; (2) increase learning opportunities for pupils; (3) encourage the use of different and innovative teaching methods; (4) create new professional opportunities for teachers, including the opportunity to be responsible for the learning program at the school site; and (5) provide parents and pupils with expanded choices in the types of educational opportunities that are available within the public school system.

ARGUMENTS IN OPPOSITION: Opponents argue that charter schools would be publicly funded but exempt from state laws and regulations governing public schools.

CSEA states, "We are very concerned that, with the creation of charter schools, the rights of classified employees regarding job security, working conditions, pay and benefits would be seriously jeopardized. Equally important, the idea of charter schools as a reform rests on the assumption that the major problem with public education is over-regulation and that, therefore, the appropriate reform is deregulation. Major problems in today's schools . . . are not caused by overregulation, but are the results of underfunding."

The California Teachers Association has concerns about (1) the possibility of creating a class of public school employees who could be hired at sub-standard wages and benefits, and without benefit of STRS coverage; and (2) ignoring the exclusive

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bargaining agent in the development of charter school proposals and in the process for approval of these proposals. CTA believes that failure to involve exclusive representatives formally in the reform process would be counter-productive. The association states, "We believe that reforms created mutually by all parties of interest in such matters are the most effective."

NM:ctl 6/2/92 Senate Floor Analyses