

Date of Hearing: June 22, 1994

ASSEMBLY COMMITTEE ON EDUCATION

Delaine Eastin, Chairwoman

SB 1264 (Hart) - As Amended: May 9, 1994

SENATE VOTES:

Education	5-3	04/13/94
Appropriations	10-1	05/02/94
Floor	24-6	05/12/94

SUBJECT

Charter schools.

DIGEST

Existing law provides for establishment of charter schools or charter school districts. No more than 100 charter schools can operate in the state, of which no more than 10 schools may operate in a single school district. Charter schools are virtually free of state education regulations, operating instead under the provisions of their charters.

Existing law establishes a procedure and timeline for granting charters. Charter petitions generally must be submitted to a school district governing board, which must hold a public hearing on the provisions and either grant or deny the charter. If denied, the petitioners may appeal to the county board of education which may, after following a specified procedure, grant the charter.

Existing law requires the California Department of Education to complete an evaluation study of charter schools by 1999.

This bill repeals the cap on the number of charter schools that may be established per district and statewide, and makes various changes to the Charter Schools Act.

Existing law provides for an appeal process to the county superintendent of schools if local governing boards reject charter school petitions.

This bill allows charter schools whose charters are revoked or not renewed to appeal the revocation decision to a panel (with specified membership) convened by the county superintendent of schools, or to the State Board of Education, as specified.

Existing law specifies that a charter may be granted for a period not to exceed five years. Existing law further authorizes governing boards or the county superintendent of schools, as appropriate, to grant one or more renewals of the

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charter for a period not to exceed five years.

This bill clarifies that in the case of district-wide charters, the State Board of Education may grant one or more renewal of those charters for a period not to exceed five years, by providing that a charter may be granted one or more subsequent renewals by the approving authority.

Existing law authorizes charter schools to receive general apportionment and specified categorical funding in an amount equal to funds received by the chartering school district.

This bill makes the following changes to the funding provisions related to charter schools:

- a) Specifies that, for apportionment purposes, a charter school shall be operative no sooner than July 1 following approval of the charter petition.
- b) Authorizes charter schools to receive funds from summer school apportionments.

FISCAL EFFECT

According to the Senate Appropriations Committee:

To date, 48 school charters have been granted, including 10 in the Los Angeles Unified School District (LAUSD). According to LAUSD, its cost to review petitions and hold public hearings has exceeded \$10,000 per petition. To the extent that the LAUSD grants additional charters or more than 90 charters are granted throughout the remainder of the state, the bill would result in added costs for districts to process petitions, costs of perhaps \$10,000 per petition. These costs would be state-reimbursable. There could be additional state-reimbursable costs for appeals on denied petitions.

The bill also could result in an increase in the state's ADA -- thereby increasing the Proposition 98 guarantee under tests 2 and 3 -- to the extent that any of the additional charter schools authorized under this measure would attract students from private schools. If only 50 students currently attending private school would enroll in one of the additional charter schools, the state would incur costs in excess of \$200,000 for additional school aid.

COMMENTS

- 1) Background. The purpose of this bill, according to the author, is to repeal the limits on the number of authorized charter schools, and to make various technical and substantive changes in the charter schools law.
- 2) Support. According to the California Department of Education, expansion of the charter schools concept provides schools with the opportunity to shift from a rule-based to a performance based system of accountability. Other proponents argue that charter schools facilitate parents' involvement and autonomy with respect to their children's education, as well as enhancing

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cooperative school governance and innovative programs. According to the California Association of Suburban School Districts, lifting the current cap of ten charter schools per district removes a disproportionate obstacle to larger districts that would likely reach their allotment more quickly than would smaller districts.

- 3) Opposition. Opponents contend that it is impossible to determine whether charter schools are superior to their regular public school counterparts, since charter schools have been in operation for less than a full school year. They argue that the current law cap of 100 will likely not be reached soon -- 48 charters have been approved to date, with Los Angeles Unified School District the only district to reach its allotment of ten. Opponents contend that any expansion of charter schools is premature until the governance issues are resolved and the CDE evaluation report is completed.

The Education Mandated Cost Network expresses concern that this bill mandates unfunded state costs on local districts.

The California School Employees Association (CSEA) states that they do not oppose the charter school concept per se, but are concerned that the current charter approval process precludes classified employees' input, resulting in charter provisions that work to the detriment of these employees. CSEA and SEIU (Service Employees International Union) advocate various employee protections and collective bargaining amendments.

- 4) Fiscal and Administrative Relationships are Uncertain. The Senate Education Committee held an informational hearing on charter schools in November, 1993. Earlier that month, the California Network of Educational Charters (CANEC) held its first annual conference. In these two forums, witnesses testified regarding several governance and fiscal issues that are unresolved under current law, most notably, the fiscal relationship between school districts and their associated charter schools, including whether districts have the authority to determine appropriation levels for charter schools.

Also related to charter school governance and funding allocation, the Southern Christian Leadership Conference and the Legal Aid Foundation of Los Angeles have expressed concern that the current charter school law may provide preferential educational opportunities and resource allocation for students in charter schools. They contend that "to meet their charter act obligations, school districts would be required to drain resources from students enrolled in the regular school programs of the district," and cite funding equity issues related to the court decisions in *Serrano v. Priest* and *Rodriguez v. LAUSD*.

According to staff, the author is considering amendments to SB 1264 to address this issue.

Other issues that have emerged in relation to implementation of charter schools include the following: potential district and/or state liability for charter school education programs, fiscal integrity, or facilities and

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operations; differential apportionment of funds based on grade level to charter schools in unified districts; differential attendance accounting (especially in relation to excused absences) resulting in reduced appropriations for charter schools; implications of the charter school law in relation to home schooling or independent study; various employment and collective bargaining issues in relation to teaching and non-teaching staff; procedures relating to revocation of a charter, causes therefor and appeals thereof.

This bill attempts to address the charter revocation issue by establishing a redress mechanism in the form of an appeal process.

- 5) Current legislation includes AB 2454 (Goldsmith), AB 3093 (Haynes), AB 2858 (Ferguson), and SB 1891 (Hayden), and SB 1806 (Lewis).

AB 2454, pending in the Senate, would provide for the CDE evaluation report to be completed by 1996 rather than 1999. AB 3093 would delete the limit on the number of charter schools authorized under current law. AB 2858 would have school apportionments flow directly to charter schools. Both bills were referred to interim study by the Assembly Education Committee.

SB 1891, pending hearing in this committee, would delete the limit on the number of charter schools for very large school districts, as specified. SB 1806, which failed passage in the Senate Education Committee, would have deleted the limit on the number of authorized charter schools and altered the petition process.

- 6) Prior legislation includes SB 1448 (Hart, Chapter 781, Statutes of 1992), which established the original charter schools law; and AB 2585 (Eastin, 1992), vetoed by the Governor, which would have enacted the original charter schools law.

SUPPORT (Verified June 17, 1994)

California Department of Education
 Children Now
 California Association of
 Suburban School Districts
 San Diego County Office of Education
 San Diego Unified School District

OPPOSITION

California Teachers Association
 California School Employees Association
 California Federation of Teachers
 Compton Education Association
 Education Mandated Cost Network
 San Ramon Valley Education Association
 Service Employees Int'l Union
 United Teachers of Los Angeles
 Valley Teachers Association
 Woodville Teachers Association
 Porterville Educators Ass'n
 Approximately 60 individuals