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# SENATE COMMITTEE ON EDUCATION

Senator Benjamin Allen, Chair

2017 - 2018 Regular

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**Bill No:** AB 3167 **Hearing Date:** June 27, 2018  
**Author:** O'Donnell  
**Version:** June 18, 2018  
**Urgency:** No **Fiscal:** Yes  
**Consultant:** Ian Johnson

**Subject:** Charter schools: Charter Authorizers Regional Support Network.

## SUMMARY

This bill establishes the Charter Authorizer Regional Support Network (CARNet), to be administered by the Alameda County Office of Education and upon appropriation in the annual Budget Act.

## BACKGROUND

Existing law:

- 1) Establishes the Charter Schools Act of 1992, providing for the establishment of charter schools in California for the purpose, among other things, of improving student learning and expanding learning experiences for pupils who are identified as academically low achieving.
- 2) Authorizes anyone to develop, circulate, and submit a petition to establish a charter school, and requires charter developers to collect certain signatures in support of the petition, as specified. A governing board must grant a charter if it is satisfied that the charter is consistent with sound educational practice. A governing board is precluded from denying a petition unless it makes written factual findings that the petition fails to meet one or more of the following:
  - a) The charter school presents an unsound educational program.
  - b) The petitioners are demonstrably unlikely to successfully implement the program described in the petition.
  - c) The petition does not contain the number of required signatures.
  - d) The petition does not contain an affirmation it will be nonsectarian, nondiscriminatory, shall not charge tuition, and other affirmations, as specified.
  - e) The petition does not contain reasonably comprehensive descriptions of the 16 required elements of a charter petition.
- 3) Authorizes a petitioner to submit a petition directly to a county board of education to establish a charter school that will serve pupils for whom the county office of

education would otherwise be responsible for providing direct education and related services.

- 4) Authorizes a county board of education to approve a petition for the establishment of a countywide charter school that operates at one or more sites within the geographic boundaries of the county that provides instructional services that are not provided by a county office of education.
- 5) Establishes an appeals process for charter schools. Under current law, if a school district governing board denies a petition, a petitioner may appeal to the county board of education. If the county board of education also denies the petition, the petitioner is authorized to submit the petition to the State Board of Education (SBE) for approval.
- 6) Authorizes the SBE to approve petitions for state charter schools that operate at multiple sites throughout the state.
- 7) Allows a chartering authority to charge for the actual costs of supervisorial oversight of a charter school, not to exceed one percent of the revenue of the charter school, except that chartering authorities providing rent-free facilities may charge up to three percent of the revenue of the charter school. These caps do not prevent the charter school from separately purchasing administrative or other services from the chartering authority or any other source.

## ANALYSIS

This bill establishes the Charter Authorizer Regional Support Network (CARNet), to be administered by the Alameda County Office of Education and upon appropriation in the annual Budget Act. Specifically, this bill:

- 1) Makes Legislative findings and declarations regarding the Charter Authorizers Regional Support Network, a project of the Alameda County Office of Education funded by a grant awarded by the United States Department of Education over the last three years, which established a successful model for building strong charter authorizing practices in California.
- 2) Requires the program to expand the network of assistance and support through a regional network structure, and further develop quality fiscal, academic, and governance oversight and monitoring tools for uniform charter authorizing practices, employing the CARNet's proposed values and principles to be adopted by the advisory board, for quality authorizing as guidance. The program shall share and update developed tools and materials as needed, to help strengthen authorizing practice, with a special focus on small authorizers.
- 3) Specifies that materials and trainings are to ensure consistent and transparent authorizer processes across the state. Such trainings will include, but not be limited to, charter school petition review and charter school petition appeal processes; charter school oversight practices; charter school petition renewal processes; and charter school intervention and revocation processes.

- 4) Specifies the responsibilities of the Alameda County Office of Education to include all of the following:
  - a) Acting as the fiscal agent for the grant.
  - b) Developing and implementing a selection process, in consultation with the department, to choose 11 regional lead county offices of education to receive grant awards.
  - c) Collaborating with leading charter authorizers and county offices of education in the development and dissemination of quality authorizing tools and best practices to ensure statewide consistency.
  - d) Creating and maintaining an online database of materials that can be adapted for use by charter authorizers.
  - e) Facilitating at least four meetings per year of regional lead county offices of education, and conducting an annual statewide conference for charter school authorizers.
  - f) Facilitating at least two meetings per year of the advisory board to provide input on the development and full implementation of services.
  - g) Specifies an advisory board shall be appointed by the Alameda County Superintendent of Schools, to be composed of a total of 12 members, including five experienced professionals from charter school authorizers, two teacher representatives, two representatives from other organizations with expertise in charter school authorizing, one charter school representative, one representative of the department, and the Alameda County Superintendent of Schools or his or her designee.
  - h) Requires the advisory board to be subject to the Ralph M. Brown Act.
  - i) Providing information, as requested, to the Legislative Analyst's Office to measure the program's continual improvement and program fidelity, and to document the program's impact.
- 5) Requires the advisory board to develop values and principles for charter school authorizing and oversight which will provide guidance for regional lead county offices of education, trainings, and conference materials, as specified.
- 6) Requires the Charter Authorizers Regional Support Network to award grant funds to 11 regional lead county offices of education. Allocation of grant funds for each regional lead county office of education shall be used to improve the quality of school district and county office of education charter school authorizing activity within its designated region.
- 7) Requires a regional lead county office of education to use its allocation for the following activities, including, but not limited to, all of the following:

- a) Providing technical assistance and support on charter petitions and oversight to all school districts and county offices of education in the region. Technical assistance includes, among other things, any of the following:
    - i) Identifying and maintaining a list of school district and county office of education personnel designated as responsible for charter authorizing activity and all charter school sites in the region. Charter authorizers shall be invited and encouraged to attend region meetings and trainings to build their knowledge and expertise.
    - ii) Technical assistance with the charter petition review process, including best practices for charter petition review, adherence to timelines, and memorandum of understanding development.
    - iii) Technical assistance with oversight, including best practices for ongoing monitoring and site reviews.
  - b) Collaborating with the Charter Authorizers Regional Support Network (CARNet) to develop templates for charter petition reviews and oversight, consistent training modules and presentations, and memorandums of understanding.
  - c) Seeking input from charter school authorizers in the region to determine the type of charter authorizer training and support needed, and building the capacity of charter authorizers through training.
  - d) Providing at least four in-person meetings or trainings of charter authorizing personnel in school districts and county offices of education in the region each year, in order to provide an equitable opportunity for participation in geographically diverse locations within the region.
  - e) Participating in the CARNet annual statewide conference and any other CARNet statewide meetings.
  - f) Providing program data to assist in evaluating the effectiveness of the CARNet in improving the quality of authorizing practice.
  - g) Providing outreach and financial incentives to charter authorizers that have not previously participated in CARNet trainings or conferences.
- 8) Requires, when awarding grants, the CARNet to give special consideration to all of the following:
- a) County offices of education with strong charter authorizing infrastructure already in place.
  - b) County offices of education that represent 11 distinct geographic regions throughout the state.

- c) County offices of education that have previously participated in the Charter Authorizers Regional Support Network (CARNet).
- 9) Requires, on or before December 1, 2020, the Legislative Analyst's Office to complete and submit to the Governor and the appropriate education policy and budget committees of the Legislature an evaluation of the CARNet Program. The Legislative Analyst's Office shall evaluate the program's effectiveness in administering training programs, outreach, and the participation of charter authorizers that have not participated in trainings and conferences during previous years, and make recommendations regarding the continuation of funding.
- 10) Specifies the measure shall be implemented only upon an appropriation in the annual Budget Act or other statute for these purposes.

### STAFF COMMENTS

- 1) **Need for the bill.** According to the author, "This bill continues the invaluable work of CARNet by providing \$30 million in state funding over 5 years. This funding will allow CARNet to continue the model they started under the federal grant program with regional county office leads throughout the state, regional trainings, and statewide conferences for charter authorizers. This resource will strengthen charter school authorizers in their critical role of charter school oversight."
- 2) **Charter Authorizer Regional Support Network.** The Charter Authorizers Regional Support Network or CARNet is a project of the Alameda County Office of Education funded by a U.S. Department of Education Charter Schools Program National Leadership Activities Grant, awarded in March 2015. It is designed to improve the capacity of charter authorizing agencies and their staff to conduct rigorous application reviews, monitor and oversee charter schools using multiple sources of data, maintain a portfolio of high-quality charter schools, and evaluate and disseminate information on charter school performance.

Components of the CARNet program include:

- a) An annual conference specifically for charter school authorizing agency staff and board members.
  - b) Regional leaders bringing charter authorizers together to share knowledge and resources.
  - c) Comprehensive training program for beginners and more experienced authorizers.
  - d) Website with resources, tools and an on-line community.
- 3) **Charter school overview.** Charter schools are public schools that provide instruction in any combination of grades kindergarten through 12. In 1992, the

state enacted legislation allowing charter schools in California to offer parents an alternative to traditional public schools and encourage local leaders to experiment with new educational programs. Except where specifically noted otherwise, California law exempts charter schools from many of the statutes and regulations that apply to school districts. Generally, all charter schools must (1) provide nonsectarian instruction, (2) charge no tuition, and (3) admit all interested students up to school capacity. To both open and continue operating, a charter school must have an approved charter setting forth a comprehensive vision for the school.

Over the last decade, charter school enrollment has grown steadily. In 2006, 560 charter schools served about 200,000 students (3.5 percent of the state's K-12 enrollment). By 2016, over 1,200 charter schools served about 580,000 students (almost 10 percent of the state's K-12 enrollment). Most charter schools are small, compared to traditional public schools, and located in urban areas. The median charter school enrolls about 250 students, whereas the median traditional public school enrolls about 525 students. Together, nine Bay Area counties, Los Angeles County, and San Diego County account for more than 60 percent of all charter schools and charter school enrollment in the state.

Charter schools can be conversions of existing public schools or new startup schools. About 15 percent of charter schools are conversions, with the remaining 85 percent being startups. Of these, about 80 percent offer traditional, classroom-based instruction and 20 percent offer some form of independent study, such as distance learning or home study.

- 4) **Charter school authorization.** Groups that are interested in creating a charter school must adhere to a state-prescribed application process. A charter petition must be signed by a sufficient number of interested teachers or parents and must set forth a comprehensive vision for the school, including its educational program, student outcome measurements, student discipline policy, employee policies, governance structure, and fiscal plans. Petitions must be submitted to an authorizer, which in most cases is the school district in which the charter school will be located. Groups can also submit petitions to the county office of education or the state for charter schools that will serve multiple districts or multiple counties.

Existing law requires an authorizer to approve a charter application, unless it makes a written finding that: (1) the proposed educational program is unsound, (2) the petitioners are unlikely to successfully implement their program, (3) there are insufficient signatures, (4) the proposed school violates one of the three basic requirements for all charter schools, or (5) the petition does not include a reasonably comprehensive vision for the school. A charter school that is rejected by its district may appeal to its county office of education, and if rejected there, may appeal to the state.

- 5) **Charter school oversight.** A charter school must promptly respond to all reasonable inquiries from its chartering authority, the county office of education that has jurisdiction over the school's chartering authority, or from the Superintendent of Public Instruction. Each chartering authority is also required

to: (1) identify at least one staff member as a contact person for the charter school, (2) visit each charter school annually, (3) ensure that each charter school complies with reporting requirements, (4) monitor the fiscal condition of each charter school under its authority, and (5) provide timely notification to the State Department of Education if an existing charter is renewed, revoked, or ceased. Charter schools must annually submit reports to its chartering authority and county superintendent of schools including budget information, interim financial reports, and audits. The chartering authority is tasked with using any financial information it obtains from the charter school to assess the fiscal condition of the charter school.

- 6) ***Findings and recommendations from recent informational hearing.*** On October 23, 2017, this Committee held an informational hearing on charter school authorization in California. The hearing covered the authorization process, with perspectives shared by charter school practitioners, charter authorizers, the Legislative Analyst, and the state's Fiscal Crisis Management and Assistance Team.

Among the numerous notable findings from the panelists was that California has many authorizers each overseeing few charter schools, making it difficult to develop systemic authorizer expertise. California represents 1/3 of all authorizers and 18 percent of all charter schools in the nation. Of the state's authorizers, 90 percent are school districts, with 85 percent overseeing five or fewer charter schools (half oversee only one charter school).

- 7) ***Arguments in Support:*** The California Association of School Business Officials (CASBO) supports the bill and argues, "CARNet has provided a successful model for building strong charter authorization and oversight practices, a critical issue that CASBO supports at a time when the state needs to strengthen its oversight and fiscal accountability laws on charter school operations. We believe that AB 3167 will continue to provide local educational agencies with opportunities to receive training and assistance on best practices and tools to properly authorize and oversee charter schools. We also appreciate that the bill will expand the direction of CARNet by requiring the development of regional network structures and monitoring tools for strong charter authorizing practices that will lead to stronger oversight. We believe that all charter school authorizers should have access to academic and governance resources to ensure that all students are provided with quality educational services."

## SUPPORT

Alameda County Office of Education  
 Butte County Office of Education  
 California Association of School Business Officials  
 California State PTA  
 California Teachers Association  
 Contra Costa County Office of Education  
 East Side Union High School District  
 Los Angeles County Office of Education  
 Pacific Research Associates

Placer County Superintendent of Schools  
Riverside County Superintendent of Schools  
San Bernardino County Superintendent of Schools  
Ventura County Office of Education  
West Contra Costa Unified School District

**OPPOSITION**

California Charter Schools Association  
Charter Schools Development Center

**-- END --**