

August 1, 2006

History and Development of Charter School Policy in California

LEGISLATIVE ANALYST'S OFFICE

Presented To:

Senate Select Committee on

California's Master Plan for Education,

Informational Hearing on Charter Schools





History of Major Charter School Legislation

Timeline of Major Charter School Legislation

Year	Legislation		Significance
	Chapter	Bill	
1992	Chapter 781	(SB 1448, Hart)	Authorized the creation of charter schools in California.
1998	Chapter 34	(AB 544, Lempert)	Instituted first round of significant programmatic changes.
1999	Chapter 78	(AB 1115, Strom-Martin)	Instituted first round of significant fiscal changes.
	Chapter 828	(AB 631, Migden)	Applied state collective bargaining laws to charter schools.
2000	Proposition 39		Instituted first round of significant facility changes.
2001	Chapter 892	(SB 740, O'Connell)	Changed funding rules for nonclassroom-based charter schools. Created Charter School Facility Grant Program.
2002	Chapter 1058	(AB 1994, Reyes)	Instituted second round of significant programmatic changes.
	Chapter 935	(AB 15, Goldberg)	Created bond-financed Charter Schools Facilities Program.
2003	Chapter 892	(AB 1137, Reyes)	Extended second round of significant programmatic changes.
2005	Chapter 359	(AB 740, Huff)	Instituted second round of significant fiscal changes.



Major Policy Developments: Charter School Authorization and Operation

- The 1992 legislation: (1) authorized the creation of charter schools, (2) established petition signature requirements, (3) delineated 13 specific petition components, (4) created a county appeals process, (5) required charter renewal every five years, and (6) specified four conditions under which charters could be revoked.
- The 1998 legislation: (1) changed petition signature requirements, (2) created a county/state review process and a state appeals process, (3) gave state the authority to revoke any charter, (4) required charter school teachers to hold comparable teaching licenses as other public school teachers, and (5) allowed charter schools to be operated as/by nonprofit public benefit corporations.
- Legislation enacted in 2002: (1) modified the county/state review and appeals process; (2) required a petition to identify each charter school site; (3) generally required these sites to be located within geographic boundaries of local school district; (4) gave counties authority to monitor charter schools; and (5) required charter schools to submit budget documents to their charter authorizers as well as audit reports to their authorizers, county office of education, and the state Controller.
- Legislation adopted in 2003: (1) specified five new charter authorizer oversight duties (including visiting each charter school annually, ensuring each charter school complies with state reporting requirements, and monitoring each charter school's fiscal condition), and (2) required charter schools to achieve specified levels of academic performance prior to receiving charter renewal.



Major Policy Developments: Charter School Finance

- The 1992 legislation stated that charter schools were to receive: (1) base per pupil revenue limit funding equal to that of its school district and (2) categorical funding, including special education funding, for students entitled to/eligible for those programs.
- Legislation enacted in 1999: (1) stated intent that charter schools receive operational funding equivalent to that of a similar school district serving a similar pupil population, (2) allowed charter schools to receive funding locally through its school district or directly from the state, and (3) established a three-part charter school funding model still in effect today (consisting of the average statewide revenue limit funding, categorical block grant funding, and separate categorical program funding).
- The 2001 legislation required the State Board of Education to: (1) develop criteria for determining the amount of funding to provide for charter school nonclassroom-based instruction and (2) make specific funding determinations for individual charter schools.
- The 2005 legislation made significant changes to the charter school categorical block grant, including: (1) revising the list of programs in the block grant and (2) specifying a single per pupil funding rate of \$400 for 2006-07 and \$500 for 2007-08, to be adjusted annually thereafter for inflation.



Major Policy Developments: Charter School Facilities

- The original charter school legislation included only one provision relating to facilities. It stated that a governing board had the option of requiring a charter school petitioner to provide information on the facilities it planned to use.
- The 1998 legislation: (1) required charter school petitioners to provide information on the facilities it planned to use, (2) added a new section requiring a school district to permit charter schools to use, at no charge, facilities it was not currently using for instructional or administrative purposes, and (3) made charter schools responsible for the “reasonable maintenance” of those facilities.
- Proposition 39: (1) stated legislative intent that facilities be “shared fairly” among public charter and noncharter schools, (2) required school districts to make available to charter schools facilities that were “reasonably equivalent” to other district facilities, and (3) allowed school districts to charge charter schools a prorated share of their facility operating costs.
- The 2001 legislation established the Charter School Facility Grant Program, which provides charter schools serving low-income students with grants to cover a portion of their lease costs.
- Legislation enacted in 2002 created the Charter Schools Facilities Program, which authorizes bond financing of new charter school facilities.