



EXECUTIVE DIRECTOR'S REPORT

July 17, 2023

The mission of the YPI Charter Schools (YPICS) is to prepare students for academic success in high school, as well as post--secondary education; prepare students to be responsible and active participants in their community; and enable students to become lifelong learners. Students at YPI Charter Schools will become active citizens who characterize the ideals of a diverse and democratic society. Students will provide service to their community, take responsibility for their own learning, and develop the habits of mind and body that will empower them to be successful in high school and beyond.

State

Charter Schools in the 2023-2024 State Budget

From School Services of California

Posted June 29, 2023

While not yet signed by Governor Gavin Newsom, the education omnibus budget trailer bill ([Senate Bill \[SB\] 114](#)) makes numerous changes to charter school law. The following provides an overview of those changes.

Renewal Extension

Due to the COVID-19 pandemic and suspension of the California School Dashboard (Dashboard) in 2020, Assembly Bill (AB) 130 (Committee on Budget, Statutes of 2021) provided all charter schools whose petitions would have expired on or between January 1, 2022, and June 30, 2025, an automatic two-year extension of their charter petition term. SB 114 extends the term by another year for those charter schools whose term expires on or between January 1, 2024, and June 30, 2027.

Abuse of Discretion

[AB 1505](#) (O'Donnell, Statutes of 2019) took effect on January 1, 2020. In combination with [AB 1507](#) (Smith, Statutes of 2019), these bills provided the first comprehensive changes to charter school law since the inception of the Charter School Act of 1992. Among the changes was a new process for charter petition appeals.

Prior to AB 1505, the typical charter school would apply to a school district and, if denied, submit an appeal to the county board of education. If denied by the county board, it would then submit an appeal to the State Board of Education (SBE). In each case, the county board and SBE were effectively conducting their own independent review of the charter petition. With the implementation of AB 1505, this process changed drastically. While charter schools still submit the appeal to the applicable county board, if the county board denies the appeal and it is submitted to the SBE on appeal, the SBE can only reverse the denial of the charter petition if it determines that the school district and/or county board of education abused their discretion when denying the petition.

SB 114 makes a change to this language. Upon enactment, SB 114 states that the SBE can only reverse the denial of a charter petition if it determines that *both* the county board and school district abused their discretion. In other words, the denial stands if one or the other is not found to have abused their discretion. Further, SB 114 clarifies that abuse of discretion is the most deferential standard of review and, therefore, the SBE must give deference to the decisions of the two governing boards to deny the petition.

Local Control and Accountability Plan

Along with a similar change for school districts and county offices of education, beginning with the Local Control and Accountability Plan (LCAP) adopted for the 2023-24 school year, charter schools will be required to present a midyear report on the LCAP Annual Update and Local Control Funding Formula Budget Overview for Parents on or before February 28 of each year. The report must be made at a regularly scheduled meeting of the governing board and will include an update on: 1) all available midyear outcome data related to the metrics identified in the current year's LCAP; and 2) all available midyear expenditure data on all actions identified in the current year's LCAP.

Nonclassroom-Based Charter School Moratorium

AB 1505 also placed a two-year moratorium on the approval of petitions for the establishment of new nonclassroom-based charter schools—from January 1, 2020, to January 1, 2022. AB 130 extended this moratorium for an additional three years to January 1, 2025. Now, SB 114 is extending the moratorium for another year to January 1, 2026.

In addition, by October 1, 2023, the Legislative Analyst's Office (LAO) and the Fiscal Crisis and Management Assistance Team (FCMAT) must study the processes used to determine funding for nonclassroom-based charter schools. The study is meant to identify and make recommendations on potential improvements to the process, including enhancing oversight and reducing fraud, waste, and abuse. Further, by March 1, 2024, the LAO and FCMAT must report their observations and recommendations to the Legislature, the Department of Finance, the California Department of Education, and the executive director of the SBE.

Charter School Definitions

As a result of AB 1507, which required that charter schools—and any resource centers, satellite

facilities, and/or meeting spaces—be located within the boundaries of their chartering authorities, new language was needed to address numerous newly configured charter schools (see “[The 2020-21 State Budget and Charter Schools—Part 2](#)” in the July 2020 *Fiscal Report*). Definitions were created as part of [SB 98](#) (Committee on Budget and Fiscal Review, Statutes of 2020) to address the newly configured charter schools and the impacts to school funding. One of these definitions was an “acquiring charter school,” which is a state charter school that is deemed a continuing charter school because it was wholly combined with one or more other affected state charter school(s). This language was originally operational through June 30, 2023, from which point any charter school meeting the definition would no longer be regarded as a continuing charter school. [AB 181](#) (Committee on Budget, Statutes of 2022) extended the operational date through June 30, 2025. SB 114 extends the operational date by another year to June 30, 2026, and applies the extension to the various sections of the Education Code to which the definition applies.