

Date of Hearing: July 16, 2025

ASSEMBLY COMMITTEE ON EDUCATION

Al Muratsuchi, Chair

SB 414 (Ashby) – As Amended July 8, 2025

SENATE VOTE: 30-1

SUBJECT: School accountability: school financial and performance audits: chartering authorities: educational support activities: flex-based instruction

SUMMARY: Makes changes to charter school law related to audit procedures, financial oversight, and funding determinations. Specifically, **this bill:**

- 1) Renames “nonclassroom-based” (NCB) charter schools as “flex-based” charter schools and makes corresponding terminology updates in provisions relating to public meeting requirements and audit procedures.
- 2) Adds the Charter Schools Development Center and the California Charter Schools Association to the list of stakeholders to be consulted in the audit guide development process.
- 3) Requires certified public accountants (CPAs) conducting audits of local educational agencies (LEAs), including charter schools, to complete 24 hours of initial training and 16 hours biennially in areas such as charter school finance, audit standards, and flex-based instructional models.
- 4) Requires a charter school’s governing board to annually review its independent audit report and any related management letters during a public meeting.
- 5) Prohibits a CPA or firm from conducting school audits for three fiscal years if they receive two consecutive quality control reviews that do not conform to provisions of the audit guide.
- 6) Adds charter school-specific procedures that must be included in annual audits, including:
 - a) Review of credit, debit, and electronic payment transactions;
 - b) Review of any single transaction or fund transfer that exceeds \$1 million or 10% of the school’s budget;
 - c) Identification of the top 25 payments made to individuals or entities; and
 - d) Review of teacher-to-student ratios in flex-based charter schools.
- 7) Clarifies that an entity managing a charter school is obligated to respond to oversight inquiries from the chartering authority, the Superintendent of Public Instruction (SPI), or the State Board of Education (SBE).

- 8) Requires chartering authorities to:
 - a) Review charter school enrollment and attendance data;
 - b) Review a sample of credit/debit card transactions; and
 - c) Notify the California Department of Education (CDE) and the county superintendent of schools if they suspect fraud, misappropriation of funds, or other illegal fiscal practices.
- 9) Expands the grounds on which the SBE may revoke a charter to include false claims by a charter school. Requires the SBE or its designee to promptly investigate allegations of false claims or misappropriation of public funds if there is probable cause.
- 10) Authorizes the SBE to reduce or revoke funding for flex-based charter schools in cases where it makes a formal finding of demonstrable financial abuse, profiteering, or grossly excessive administrative expenses, and requires the SBE, by May 31, 2027, to revise its funding determination regulations to:
 - a) Require cross-checking data submitted by charter schools with independent audits;
 - b) Avoid a requirement to duplicate reporting when data is already available from audits;
 - c) Allow exclusion of unspent one-time funds from instructional spending calculations;
 - d) Count spending on physical school sites as instructional-related expenditures;
 - e) Require disclosure of reserves by accounting category;
 - f) Allow exclusion of reserve increases from revenue if reserves are below 10%; and
 - g) Require explanations for reserves over 10% and notify authorizers when under 5%.
- 11) Clarifies that when a flex-based charter school elects to meet teacher-to-pupil ratio requirements by comparison to the largest unified school district in its county, the applicable ratio shall be based on the district's average daily attendance (ADA) at the second principal apportionment in the prior year and requires the largest unified school district in each county to make its ratio data available upon request.
- 12) Establishes new audit requirements that the State Controller (SCO) must incorporate into the annual audit guide, beginning in the 2027–28 fiscal year, including:
 - a) Requiring auditors to apply materiality thresholds to ADA compliance testing in accordance with Generally Accepted Auditing Standards (GAAS);
 - b) Requiring procedures to identify whether an LEA has material financial relationships with related parties and to ensure compliance with Financial Accounting Standards Board (FASB) disclosure rules;

- c) Requiring audits of school districts or county offices of education (COEs) that consolidate multiple charter schools to separately track and report financial data for each charter school; and
 - d) Requiring LEAs to report monthly pupil enrollment and attendance, disaggregated by track if applicable.
- 13) Establishes the following rules for contracting with educational enrichment vendors for all LEAs:
- a) Requires all educational enrichment activities, materials and programs to be nonsectarian;
 - b) Requires LEAs to vet vendors through policies ensuring safety, value, and qualifications;
 - c) Requires criminal background checks for vendor personnel;
 - d) Prohibits payment of vendors before approval;
 - e) Requires board approval for vendor contracts exceeding \$100,000;
 - f) Requires that enrichment activities be approved by the pupil's teacher and be deemed educationally appropriate; and
 - g) Requires the audit guide to include a review of LEA compliance with these policies.

EXISTING LAW:

- 1) Establishes the Charter Schools Act of 1992 which authorizes a school district governing board or county board of education to approve or deny a petition for a charter school to operate independently from the existing school district structure as a method of accomplishing, among other things, improved pupil learning, increased learning opportunities for all pupils, with special emphasis on expanded learning experiences for pupils who are identified as academically low achieving, holding charter schools accountable for meeting measurable pupil outcomes, and providing the schools with a method to change from rule-based to performance-based accountability systems. (Education Code (EC) 47605)
- 2) Establishes a process for the submission of a petition for the establishment of a charter school. Authorizes a petition, identifying a single charter school to operate within the geographical boundaries of the school district, to be submitted to the school district. Authorizes, if the governing board of a school district denies a petition for the establishment of a charter school, the petitioner to elect to submit the petition to the county board of education. Authorizes, if the county board of education denies the charter, the petitioner to submit the petition to the SBE only if the petitioner demonstrates that the school district governing board or county board of education abused its discretion in denying the charter school. Authorizes a school that serves a countywide purpose to submit the charter petition directly to the COE.
- 3) Requires, upon renewal, a charter school to be identified as either low performing, middle performing or high performing based on the California School Dashboard accountability

data. Requires that low performing, charter schools be denied, however, the school may be renewed for a two year period if the authorizer is presented with verified data that meet specified criteria and the authorizer finds it compelling. Authorizes middle performing charter schools to be renewed for 5 years. Authorizes high performing charter schools to be renewed for 5-7 years.

- 4) Prohibits the authorization and establishment of new NCB charter schools between January 1, 2020, and January 1, 2026.
- 5) Prohibits a charter school from receiving any public funds for a pupil if the pupil also attends a private school that charges the pupil's family for tuition. Prohibits a charter from being granted for the conversion of any private school to a charter school. (EC 47602)
- 6) Prohibits, notwithstanding any other law, an LEA, including, but not limited to, a charter school, from claiming state funding for the independent study of a pupil, whether characterized as home study or otherwise, if the LEA has provided any funds or other thing of value to the pupil or his or her parent or guardian that the LEA does not provide to pupils who attend regular classes or to their parents or guardians. (EC 51747.3)
- 7) Authorizes a charter school to receive funding for NCB instruction only if a funding determination is made by the SBE. Requires the determination for funding to be subject to any conditions or limitations the SBE may prescribe. Requires the SBE to adopt regulations that define and establish general rules governing NCB instruction that apply to all charter schools and to the process for determining funding of NCB instruction by charter schools offering NCB instruction. Defines NCB instruction to include, but not be limited to, independent study, home study, work study, and distance and computer-based education. (EC 47612.5)
- 8) Requires the SBE to adopt regulations setting forth criteria for the determination of funding for NCB instruction, at a minimum, the regulation to specify that the NCB instruction is conducted for the instructional benefit of the pupil and is substantially dedicated to that function. Requires the SBE to consider, among other factors it deems appropriate, the amount of the charter school's total budget expended on certificated employee salaries and benefits, on schoolsites, and the teacher-to-pupil ratio in the school. Requires, for the 2003–04 fiscal year and each fiscal year thereafter, the amount of funding determined by the SBE to not be more than 70% of the unadjusted amount to which a charter school would otherwise be entitled, unless the SBE determines that a greater or lesser amount is appropriate. (EC 47634.2)
- 9) Requires a charter school to transmit a copy of its annual, independent financial audit report for the preceding fiscal year to its chartering entity, the SCO, the county superintendent of schools of the county in which the charter school is sited, (unless the county board of education of the county in which the charter school is sited is the chartering entity) and the CDE, by December 15 of each year. (EC 47605)
- 10) Requires financial and compliance audits to be performed in accordance with General Accounting Office standards for financial and compliance audits. Requires that the audit guide prepared by the SCO be used in the performance of these audits until an audit guide is adopted by the Education Audits Appeal Panel. When an audit guide is adopted by that

panel, the adopted audit guide be used in the performance of these audits, and that every audit report specifically and separately address each of the state program compliance requirements included in the audit guide, stating whether or not the district is in compliance with those requirements. (EC 14503)

- 11) Authorizes the independent study (IS) program for school districts, COEs and charter schools. Requires LEAs that offer IS to adopt written policies that include the length of time that may elapse between the time an independent study assignment is made and the date the pupil must complete the assigned work, missed work assignments, and there be a written agreement between the pupil and the IS program. Requires that the written agreement include processes for submitting pupil work, objectives and methods of study for the pupil's work, resources that will be made available to the pupil, duration of the agreement, and number of credits to be earned upon completion. A pupil with an Individualized Education Program (IEP) is not authorized to participate in an IS program unless their IEP specifically provides for that participation. Requires that the IS of each pupil be coordinated and evaluated under the general supervision of an employee of the LEA who possesses a valid certification document or an emergency credential. Establishes certificated employee-to-pupil ratios, as specified. (EC 51745–51749.3)
- 12) Authorizes the Course Based Independent Study (CBIS) program for school districts, COEs, and charter schools for pupils enrolled in kindergarten and grades 1-12, inclusive, under the following conditions: completion of a signed learning agreement between the pupil and school, courses are taught under the general supervision of certificated employees who hold the appropriate subject matter credential, and are employed by the LEA, courses are annually certified by the LEA governing board or body to be of the same rigor and educational quality as equivalent classroom-based courses and aligned to all relevant local and state content standards, requires certificated employees and pupils to communicate in person, by telephone, or by any other live visual or audio connection no less than twice per calendar month to assess whether the pupil is making satisfactory educational progress, requires an evaluation if the pupil is not making satisfactory educational progress. Requires a written agreement between the CBIS program and the pupil. Specifies that if more than 10% of the total ADA of a school district, charter school, or COE is claimed, then the amount of ADA for all pupils enrolled by that LEA that is in excess of 10% of the total ADA for the LEA is to be reduced, as specified. (EC 51749.5–51749.6)
- 13) Requires each chartering authority to do all of the following with respect to each charter school under its authority:
 - a) Identify at least one staff member as a contact person for the charter school;
 - b) Visit each charter school at least annually;
 - c) Ensure that each charter school under its authority complies with all reports required of charter schools by law, including the local control and accountability plan (LCAP) and annual update to the LCAP required pursuant to Section 47606.5;
 - d) Monitor the fiscal condition of each charter school under its authority; and
 - e) Provide timely notification to the CDE if any of the following circumstances occur or will occur with regard to a charter school for which it is the chartering authority:

- i) A renewal of the charter is granted or denied;
- ii) The charter is revoked; or
- iii) The charter school will cease operation for any reason. (EC 47604.32)

14) Authorizes a chartering authority to charge for the actual costs of supervisory oversight of a charter school, not to exceed 1% of the revenue of the charter school. Authorizes a chartering authority to charge for the actual costs of supervisory oversight of a charter school, not to exceed 3% of the revenue of the charter school if the charter school is able to obtain substantially rent free facilities from the chartering authority. Authorizes an LEA that is given the responsibility for supervisory oversight of a charter school by the SBE to charge for the actual costs of supervisory oversight and administrative costs necessary to secure charter school funding. (EC 47613)

FISCAL EFFECT: According to the Senate Appropriations Committee:

- By revising the funding determination process for NCB (NCB) charter schools, this bill could result in additional, unknown Proposition 98 General Fund costs for increased funding provided to these schools. The costs would vary by each NCB charter school and also depend on the number of students attending those schools.
- This bill could result in unknown but significant costs for increased oversight responsibilities for charter school authorizers. These activities are likely to be determined to be a reimbursable state mandate. There could also be increased local costs to charter schools that are likely to be significant to comply with the bill's new requirements, such as publicly reviewing audit findings each year. However, charter schools are not eligible for mandate reimbursement but may receive funding through the K12 Mandate Block Grant.
- By creating new audit standards and training requirements for CPAs, there could be increased costs to the auditing firms, who may then increase the amounts charged to LEAs to account for the increased workload. For example, an increase of \$500 for each LEA to account for the bill's requirements would be an increase of approximately \$650,000 statewide each year.
- This bill could result in additional General Fund costs, potentially in the low hundreds of thousands of dollars each year, for the SCO to incorporate the bill's new requirements into the audit guide.
- The CDE estimates General Fund costs of approximately \$500,000 each year for certified fiscal crime analysts or investigators.

COMMENTS:

Need for the bill. According to the author, "Charter schools are a part of many communities and often provide alternative educational flexibility for families with a myriad of situations; including medical conditions, special needs, and other unique circumstances. They serve as a resource for families and deliver vital educational programs to our students.

Several fiscal audits conducted by various agencies' have identified opportunities for improvement for various charter schools and charter school authorizers across the state. Most of the negative audit findings point back to a greater need for oversight, transparency, and accountability.

SB 414 addresses these issues specifically by holding charter schools responsible for internal accounting and for educational outcomes for all students. This bill incorporates recommendations from several reports, strengthening oversight and ensuring academic success.

It is vital to implement strong accountability measures and establish proper oversight to ensure that students receive quality education in appropriate, safe, and stable learning environments regardless of whether a school is traditional, chartered, or a hybrid model. SB 414 puts students first and puts into law the important recommendations made through audits from several entities including the Legislative Analyst's Office and State Controller."

Legislative Analyst Office (LAO)/Fiscal Crisis and Management Assistance Team (FCMAT) report recommends numerous reforms to NCB charter law. In their 2024 report to the Legislature, the LAO and FCMAT made the following recommendations:

- 1) *Several Changes to Improve Funding Determination Process.* We provide several specific recommendations the Legislature could enact to improve the funding determination process. Our recommendations are intended to narrow the process to a smaller subset of schools, improve the comprehensiveness and quality of data submitted to the CDE, and streamline some aspects of the process. Most significantly, we recommend the Legislature:
 - a) *Narrow the Definition of a NCB Charter School.* We recommend narrowing the definition of a NCB charter school so that the designation excludes those schools that provide the majority of their instruction in person. This would exclude charter schools whose programs have cost structures that are similar to traditional classroom-based programs. ***This bill does not address this recommendation.***
 - b) *Improve Quality of Data Submitted to CDE.* To assist the CDE in efficiently reviewing and processing funding determination forms, we recommend requiring data submitted by charter schools be consistent with their annual audits. We also recommend several changes that would require information submitted to CDE be subject to annual audits. ***This bill does address the recommendation to make the funding determination information consistent with annual audits.***
 - c) *Use Multiple Years of Data for Funding Determinations.* We recommend the funding determinations take into consideration a school's aggregate spending for all years since the previous funding determination. This would ensure school expenditures are aligned with the funding determination thresholds consistently over time. ***This bill does not address this recommendation.***
- 2) *Consider Changes to Charter School Oversight.* We also provide several recommendations for the Legislature to consider regarding broader oversight of charter schools. These issues generally apply to all charter schools, though in a few cases, we highlight specific issues

related to NCB charter schools and virtual charter schools. Most significantly, we recommend the Legislature consider the following:

- a) *Improvements to Oversight by Charter School Authorizers.* We recommend that the Legislature consider several changes to improve the quality of authorizer oversight. Specifically, we recommend that the Legislature set limits on district authorizers by district size and grade, increase minimum requirements for authorizers, and consider an alternative authorizing structure for virtual schools. ***This bill does not address the recommendation to limit NCB charter authorizing by small districts nor address the recommendation to consider alternative authorizing/oversight for virtual schools.***
- b) *Enhancements to Charter School Audits.* Current audit requirements often do not address the complexities and unique flexibilities of charter school finances. We recommend the Legislature align the audit process for charter schools to that of school districts and add audit requirements that would address issues specific to charter schools. ***This bill does not address the recommendation to align the audit process for charter schools and school districts, does not conform the timing of auditor selection, the requirement to disclose auditor termination or replacement, or the granting of extensions for audits.***

This bill does not fully address the following LAO/FCMAT report recommendations:

- 1) *Small district authorizers.* ***This bill does not address the recommendation in the LAO/FCMAT report to limit authorizing by district size.*** Most NCB charter schools are authorized by small rural school districts. Many of these small districts are stretched thin with regard to staff, and in some cases, the Superintendent holds many roles like math teacher and school bus driver. These small districts generally do not have the capacity to provide meaningful charter school oversight. In some cases, these small school districts authorize NCB charter schools as a means to balance their district budgets through the collection of oversight fees. There are very small school districts authorizing large NCB charter schools. The chart below illustrates a sampling of current small school districts that have authorized large numbers of NCB charter schools.

School District Name	School District ADA	Authorized Charter School ADA
New Jerusalem Elementary	22	4,500
Oro Grande	109	3,738
Dehesa Elementary	145	8,532
Maricopa Unified	300	6,067
Julian Union Elementary	311	3,502
Campbell Union	876	6,417
Acton-Agua Dulce Unified	1,080	13,775

(Source: California School Boards Association)

- 2) *Authorizer oversight and oversight fees.* Charter school authorizers play a vital role in providing oversight over both the academic and fiscal aspects of the charter schools they authorize. In order to provide better oversight, this bill requires oversight by authorizers specific to enrollment and attendance accounting and credit card transactions.

This bill does not require authorizers to conduct audit compliance monitoring, does not require authorizers to have regular training, and does not provide increased oversight fees for authorizers.

- 3) ***Funding determination.*** NCB charter schools are required to obtain a funding determination that is approved by the SBE. This funding determination establishes the percentage of funding the NCB charter school will receive compared to all other traditional classroom-based schools. Most charter schools apply for a 100% NCB funding determination. To do so, they must meet the following criteria:

- Spend at least 40% of total public revenue on instructional certificated salary and benefits;
- Spend at least 80% of total public revenue on instruction-related services; and
- Not exceed a 25:1 pupil-to-teacher ratio.

Under existing law, if NCB charter schools do not meet these thresholds but meet lower thresholds, they are eligible for 85% funding or 70% funding. If they do not meet minimum thresholds, they are not eligible for funding. With respect to the funding determination process, ***this bill does not address the LAO/FCMAT recommendations as follows:***

- Require networks to apply for funding determinations concurrently;
- Align funding determination with charter renewals; and
- Use the current expense of education to measure spending on certificated staff.

- 4) ***Additional recommendations*** from the LAO/FCMAT report not included in this bill:

- Establishing a definition of virtual charter network in statute;
- Making the definition of a virtual school subject to the annual audit; and
- Requiring authorizers to participate in regular training.

SCO charter school audits task force makes recommendations on reforms. In response to the A3 Charter School fraud case, described later in this analysis, a San Diego Superior Court Judge signed a court order to approve the formation of a multi-agency task force, known as the Multi-Agency Charter School Audits Task Force, led by the SCO, to combat charter school fraud. The 2024 Task Force report made the following recommendations:

The Task Force extensively discussed the current state of California charter schools and developed recommendations based on the combined expertise, experience, and knowledge of multi-disciplinary Task Force members. These recommendations are intended to foster a culture of transparency and accountability by further strengthening charter school audit

function components. The recommendations are organized into the following sections of this report:

- CPA Firm Authorization, Qualifications, Training, Evaluation, and Compliance with K-12 Audit Guide;
- CPA Firm Selection, Rotation, and Late Audit Report Notifications;
- K-12 Audit Guide Procedures; and
- Financial Statement Audit Report Disclosures.

The Task Force determined that most of the recommendations should be applied to all LEAs, including school districts, COEs, and charter schools, providing opportunities to strengthen the audit functions across the entire LEA system. To combat fraud in charter schools, it is important that oversight agencies, in addition to those performing charter school audit functions, implement strong internal and monitoring controls to timely identify and mitigate potential fraud. The control and monitoring functions include the charter school petition and approval process, the charter school accountability systems, the authorizer monitoring of charter schools, and the respective oversight functions of the charter school governing board, COEs, the CDE, and the SCO.

This bill does not address the SCO's Task Force recommendations in the following areas:

- Updating the audit peer review process to include school audits;
- Increasing the frequency for the SCO to conduct quality control reviews of CPA's and ensure that peer review team members have appropriate experience;
- Requirements for CPAs to be removed from the approved auditor directory for significant peer review deficiencies;
- Requiring CPAs that leave or are terminated during an audit to notify the charter authorizer, the COE, the CDE, and the SCO and provide a reason for the change;
- Requiring CPAs to provide late audit report notifications to the charter school, authorizer, the COE, the CDE, and the SCO;
- Ensuring that CPA communications to oversight agencies about changes in CPAs and late reports are not limited by auditor-client confidentiality requirements;
- Requiring auditors to inquire with authorizers to understand the fiscal and compliance areas where the charter school excels, may not meet expectations, potential fraud risks, irregularities, compliance concerns, and other background pertinent to the audit;
- Requiring auditors to increase sample sizes, especially related to NCB attendance;

- Requiring audit procedures to determine whether a NCB charter school submitted the funding determination request, whether it was approved by the SBE and whether the charter school is following the significant terms of the funding determination;
- Requiring example audit reports for school districts and charter schools; and
- Requiring audit reports to include the following disclosures:
 - Charter management organization management and board members, information about loans between related schools and shared employees;
 - The top five highest paid school employees; and
 - Funding determination data annually.

This bill includes items that were not in the LAO/FCMAT or SCO reports, as detailed in the following sections.

- 1) ***Enrichment activity funds.*** Some charter schools give education dollars to parents. Some NCB charter schools cater to families that want to have the parent serve as the primary person delivering instruction and these schools allow parents to direct how their children’s education dollars are spent.

For example, as of April 2025, the South Sutter Charter School’s website states, “For the 2024/25 school year, family accounts are funded up to the following amounts: \$4,150 for High School; \$3,650 for 1st-8th Grade; and \$2,650 for TK and Kindergarten.”

As of April 2025, the Arete Charter Academy’s website states, “for the 2025-2026 school year, TK-12th grade students receive \$4500 of instructional funding per school year. Arete will use \$700 to purchase student curriculum or academic instruction. The remaining \$2,550 (\$1275 per semester) is used for the parent’s choice of field trips, supplemental materials, technology, tutoring, and/or extra enrichment courses, whether provided at the Arete Resource Center or off-site at a community vendor. Arete Charter Academy’s list of vendors includes, but is not limited to: horsemanship, swim lessons, crossfit training, golf pro lessons, music lessons, tutoring services, dance lessons, and cooking lessons.

This bill requires vendors to have a business license, but does not limit the ability of charter schools to provide unlimited local control funding formula (LCFF) funding on season passes for parents and students to Disneyland and other theme parks, and to pay parents to tutor their own children. This issue is discussed further in a later section.

This bill prohibits payment of vendors without approval, however, it does allow parents to pay vendors directly and receive reimbursement, which undermines the charter school’s approval and contracting process.

- 2) ***Adding two charter school organizations to the Audit Guide Committee.*** This bill adds the California Charter School Association and the Charter Development Center to the committee that develops the audit guide. Existing law requires the SCO to propose the content of an audit guide, in consultation with the following organizations: Department of Finance; CDE; California School Boards Association; California Association of School Business Officials; California County Superintendents; California Teachers Association;

California Society of Certified Public Accountants; and FCMAT. ***The committee may wish to consider*** whether it is appropriate to add two new members exclusively representing charter schools to the audit guide committee since charter schools are already members of the California School Boards Association, the California Association of School Business Officials, and California County Superintendents and are represented by these organization on the audit guide committee.

- 3) ***Requiring the SBE to investigate false claims.*** This bill requires the SBE or its designee to promptly investigate allegations of false claims or misappropriation of public funds if there is probable cause. There are several flaws to consider in implementing this proposal. To implement such a requirement, the state board would first be required to vote at a public meeting to start an investigation, which will delay the start of any such investigation and create political pressure on the SBE. ***The Committee may wish to consider*** whether it is best practice to require a public SBE vote before any fraud investigation commences. Additionally, the proposal requires the SBE to first determine if there is probable cause before it approves an investigation, however, it is unclear how the SBE would determine probable cause without first investigating. Further, the bill does not establish an independent investigation team at the SBE, and without a separate team there is a possibility for conflicts of interest.
- 4) ***Changing the name of NCB charters to flex-based charter schools.*** This bill replaces the term “NCB” with “flex-based” throughout the Education Code. While the change may be intended to reflect evolving instructional models or reduce negative associations with the term “NCB,” it does not alter the underlying instructional model, funding structure, or eligibility requirements for these schools. In effect, the bill rebrands a model that remains substantively unchanged. This name change carries several potential risks, including confusion about the terminology, a potential disruption of oversight and implementation, and a false signaling of reform when none has occurred.
- 5) ***Limiting the scope of audits.*** This bill limits the ability of the SCO to update the audit guide and require documents that are different than what is provided for in GAAS. The existing audit guide procedures exceed the requirements of GAAS, by design. This provision will reduce the Legislature’s authority to set priorities for what is audited and the detail of those audits, instead of authorizing the audit guide committee to make recommendations.

The bill also requires the SCO to establish ADA materiality levels in accordance with GAAS, however, the existing audit guide currently provides a materiality standard for ADA that is a higher standard than GAAS. This provision will weaken existing audit practices.

Recent A3 Charter Schools fraud case reveals significant weaknesses in NCB charter school law. Numerous charter school fraud cases have been documented in recent years, including, but not limited to: A3 Charter Schools, Magnolia Charter School, Tri-Valley Learning Corporation, among others.

In *People v. McManus*, the San Diego County District Attorney’s Office indicted 11 defendants in a fraud scheme involving nineteen charter schools (A3 Charter Schools). The case revealed many weaknesses in state public charter school law in the areas of pupil data tracking, auditing, school finance, and oversight, which resulted in A3 schools surrendering more than \$210

million, 13 houses, and numerous shares in third-party companies. These weaknesses included the following:

- *Lack of pupil data tracking.* Currently, charter schools submit aggregate attendance data for each school without any information about individual pupils. Oversight agencies do not maintain individual pupil data about enrollments in charter schools they oversee for state funding purposes. One A3 charter school was found to be paying a private company to recruit and collect personal information from pupil athletes. The school then enrolled the athletes in the charter school without their knowledge—thereby fraudulently generating ADA—and paid the recruiting company a portion of the public funds generated as a finder’s fee.
- *Multi-track calendar abuses.* The A3 schools were found to have deceived the state into paying them significantly more funds by manipulating the “multi-track year round calendar,” which charter schools are currently authorized to use. The A3 schools would (1) run a fake summer school to collect funding for pupils that never knowingly enrolled, (2) inflate their fraudulent summer school attendance numbers—to the tune of about 60%—by offering fewer days of fake summer school instruction, and (3) transfer pupils between different A3 schools, increasing attendance fraudulently by another roughly 40%.
- *Lack of meaningful audit requirements.* The annual audits required by law found little to no malpractice by A3 schools for several reasons. First, auditors are not required to complete any specialized up-front or ongoing training in school finance or law to audit a charter school. Second, charter schools can choose their auditors—A3 schools were shown to have fired their auditing firms and hired less experienced firms in the rare event that audit findings were made. Third, NCB charter schools are allowed to pick their own samples of pupil documentation showing compliance with independent study laws—enabling A3 to hide the fraudulent aspects of their operation from auditors. Fourth, auditors are not required to audit the education program received by pupils, only compliance with documentation. In the A3 schools, many children were enrolled from sports teams, believing they were participating in a fundraiser and had no knowledge they were enrolled in a charter school at all.
- *Flawed funding determination process.* While existing law requires that NCB charter schools only receive full funding in exceptional circumstances—when at least 80% of funding is spent directly serving pupils—the current funding determination process essentially funds all schools at 100%. This is because existing regulations define “instructional and related services” very broadly, and charter schools can meet these spending benchmarks without necessarily spending money on pupils. Further, NCB charter schools are only required to request a funding determination and provide compliance documentation to the SBE every five years.
- *Perverse financial incentives for charter school authorizers.* Existing law allows charter authorizers to collect oversight fees from charter schools under their authority but does not require authorizers to demonstrate that the fees are spent on meaningful school oversight. Small school districts that approve NCB charter schools serving pupils not located in the district can earn significant oversight fees—creating a built-in incentive to overlook poor charter school practices. For example, Dehesa Elementary School District approved over ten

charter schools, all providing NCB programs. The district's oversight fees for the 2017-2018 school year were more than its entire expenditures for all employees hired by the district. When the district learned of improprieties from the charter schools it had authorized, it took no meaningful action. Ultimately, the district collected the oversight fees and only acted to revoke the A3 Charter Schools under its authority once law enforcement was involved.

Audit standards identified as flawed as a result of the A3 Charter School Case. The A3 Charter case illustrated many faults in the way that charter schools are audited compared to school districts, including the following:

- Current law allows charter schools to be audited as nonprofit corporations rather than as governmental entities. Nonprofit corporation audits are not nearly as detailed as governmental entity audits. ***This bill does not address this problem.***
- Current law does not require school district and charter school auditors to receive any special training on auditing schools. ***This bill requires training for school district and charter auditors.***
- Current law does not direct auditors to review many aspects of independent study programs at charter schools. ***This bill updates the audit guide to include sampling guidance, pupil-to-teacher ratio, materiality thresholds, and pupil enrollment and attendance by track.***

California Longitudinal Pupil Achievement Data System (CALPADS) and ADA data systems. As noted above, tracking attendance is one of the issues arising out of the A3 case. The State's attendance accounting system is not connected to the CALPADS. In other words, when a charter school or school district submits its ADA information to the State, that ADA is not reported with pupil identification. The State, therefore, does not know which pupils ADA is being claimed when it processes attendance apportionments. Current law prohibits a school from claiming more than one year of attendance per pupil, however, more than one year of attendance can be paid per pupil if the pupil attends more than one school or if the student is moved between tracks. ***This bill does not address this problem.***

Teacher assignments and school calendars. Current law requires independent study programs to operate with specified pupil-to-teacher ratios. Some charter school networks, however, have exceeded these ratios by assigning teachers different groups of pupils at multiple schools. While on paper, it appears that a teacher has a 25:1 pupil-to-teacher ratio at a single school, in reality, the teacher has a much higher pupil-to-teacher ratio across their entire teaching assignment at multiple schools. ***This bill does not address this problem.***

The A3 Charter School case demonstrated the ability of schools to manipulate their calendars to collect far more than one year of attendance funding per pupil from the State. The A3 Charter School used the multitrack year-round calendar to run a summer program and erroneously enrolled Little League players over the summer months, enrolled them without their parent's knowledge, and collected attendance funding without providing any instruction to these children. Further, A3 Charter Schools transferred students between multiple schools in their network over the summer months, using the multitrack year-round schedule, and altered their calendar to

collect much more than one year of attendance funding per student. ***This bill requires schools to include in their annual audit, attendance by month and track, as applicable.***

Background on charter schools. According to the CDE, as of the 2024-25 school year, there are 1,280 active charter schools in California, with an enrollment of over 709,000 pupils. Some charter schools are entirely new, while others are conversions from existing public schools. Charter schools are part of the state's public education system and are funded by public dollars. A charter school is usually created or organized by a group of teachers, parents, community leaders, a community-based organization, or an education management organization. Charter schools are authorized by school district boards and county boards of education. A charter school is generally exempt from most laws governing school districts, except where specifically noted in the law. Specific goals and operating procedures for the charter school are detailed in an agreement (or "charter") between the authorizing board and charter organizers.

What is NCB instruction? NCB instruction includes computer-based instruction using software modules, teacher-directed independent study, and traditional homeschool model where parents enroll their children in independent study charter school programs.

A NCB charter school is defined as a school with less than 80% of its total ADA that is classroom based, in which instruction takes place in a classroom setting. As of April 2021, there were 304 charter schools considered to be NCB. Of that number, 105 charter schools self-identified as providing exclusively virtual or primarily virtual instruction.

Existing law defines charter school NCB instruction as instruction that does **not** meet the requirements of classroom-based instruction. Those requirements are:

- Charter school pupils are engaged in required educational activities and are under the immediate supervision and control of a certificated teacher;
- At least 80% of the instructional time offered by the charter school is at the schoolsite (defined as a facility that is used primarily for classroom instruction); and
- Pupil attendance at the schoolsite is required for at least 80% of the minimum instructional time.

What does research say about pupil academic achievement at NCB charter and virtual schools? Research indicates that students at NCB charters and virtual schools achieve lower rates of academic achievement compared to students at classroom-based schools. One review notes, "By any measure, online charter schools perform significantly worse than traditional public schools, and this negative impact carries across every demographic of pupils. So while online schools are indeed needed for pupils whose requirements cannot be met by brick-and-mortar schools, it's clear that the quality of education offered by online charter schools is significantly below the state average. As public policy, legislators should be looking to limit the number of students in online charter schools and should resist calls to expand this sector." (Lafer, 2021)

This chart shows the statewide average student achievement at traditional brick and mortar schools, versus the average pupil performance at online charter schools. This data excludes all schools that mainly serve pupils who are credit deficient, known as Dashboard Alternative

School Status (DASS), however when DASS schools are included, the difference in pupil performance is even more significant.

**Academic Performance, Online Charter Schools, and Statewide Average,
Except Alternative Schools**

	California statewide average (excluding DASS alternative schools)	Online charter schools (excluding DASS alternative schools)
Distance from Standard, English Language Arts/Literacy	-2	-17.3
<i>ELA Percentile Rank</i>		43.5%
Distance from Standard, Math	-30.4	-78.4
<i>Math Percentile Rank</i>		20.9%
Career & College Readiness	45.5	18.2
<i>Career/College Percentile Rank</i>		37.7%
Graduation Rate	88.5	73.1
<i>Graduation Rate Percentile Rank</i>		23.2%

Source: In the Public Interest, 2021.

Numerous studies indicate that online instruction is not as effective as regular classroom instruction:

- A 2019 study by the CREDO at Stanford University of charter schools in South Carolina concluded that students attending online charter schools have weaker growth in both reading and math compared to the average traditional public school. The gap translates to 35 and 118 fewer days of learning for online charter students in reading and math, respectively. In contrast, students in brick-and-mortar charters post academic progress in reading and math similar to that of the average traditional public school students.
- A CREDO study in 2019 of students in New Mexico attending online charter schools found those students to have substantially weaker growth in both reading and math than the average traditional public school students. The gaps translate to 130 fewer days of learning in reading and 118 fewer days of learning in math for online charter students. In contrast, students in brick-and-mortar charters exhibit stronger growth in reading (equivalent to 24 extra days of learning) and obtain similar learning gains in math as compared with the average traditional public school students.
- A CREDO study in 2019 of students in Ohio attending online charter schools found students to have substantially weaker growth in both reading and math than the average traditional public school students. The gaps translate to 47 fewer days of learning in reading and 136 fewer days of learning in math for online charter students. In contrast, students in brick-and-mortar charters exhibit stronger growth in reading (equivalent to 24 days of extra learning) and obtain similar learning gains in math as compared with the average traditional public school students.
- A CREDO study in 2019 of students in Pennsylvania attending online charter schools found students to have weaker growth in both reading and math compared to the average traditional public school. These gaps translate to 106 fewer days of learning in reading

and 118 fewer days of learning in math. Students attending brick-and-mortar charter schools, however, exhibit positive growth in reading compared to the average traditional public school students, gaining about 24 days of learning. In math, brick-and-mortar charter school students perform similarly to the average traditional public school students.

- A CREDO study in 2019 of students in Idaho attending online charter schools found students to have similar growth in reading and weaker growth in math compared to the average traditional public school student. The gap translates to 59 fewer days of learning in math for online charter students. The study found no learning loss in reading associated with online charter schools in Idaho. Students in brick-and-mortar charters exhibit stronger growth in reading and math, equivalent to 30 and 35 extra days of learning, respectively, compared with the average traditional public school students.

Investigative journalism found examples of inappropriate use of public school funds through vendor contracts. Investigations into the operations of a few NCB charter schools regarding possible inappropriate use of public school funds are ongoing. A 2019 investigation by the San Diego Union-Tribune found:

- ***Trips to Disneyland and SeaWorld.*** “In California, there’s a way parents can use money from the government to buy multi-day Disneyland Park Hopper passes, San Diego Zoo family memberships, tickets to Medieval Times and dolphin encounters at SeaWorld. There are a handful of charter schools that give pupils’ families as much as \$2,800 to \$3,200 — tax dollars sent to the charter schools — every year to spend on anything they want from a list of thousands of home-school vendors approved by the charters, according to the schools’ websites. If you live in California and you’re not taking advantage of this, I don’t know what to say,” said Karen Akpan, a home-school charter parent of four who lives in Beaumont. She wrote a recent blog article describing how she used the educational funds to pay for a family trip to Disneyland, Chicago CityPASSes, and Legoland tickets, as well as computer coding kits, educational toys, books, and subscription cooking kits for her kids.”
- ***California is the only state paying for these types of services.*** “I don’t know of any states where they’re paying for the kinds of things they’re paying for in California,” said Mike Smith, president of the Home School Legal Defense Association, a national group that advocates for homeschooling families. “Those schools don’t have as many fixed costs as a school that would have a large campus, paying for heat and custodians and all of that. But yet, they get the same amount of money per student from the state,” said Stephanie Hood, a charter school adviser with the Homeschool Association of California. It is relatively easy for homeschool charters to recruit pupils, because enrollment happens online and families can request vendors near where they live. Valiant advertised enrollment to families in 34 counties on its website, even though its schools were authorized to operate in only three counties. “As you know, that’s why some of the problems have occurred, because there’s so much money in it,” Smith said. “It’s very easy to do. ... It’s just ripe for the kind of things that are going on.”
- ***Public education dollars spent at private schools.*** Some charter school vendors are businesses or nonprofits that cater to homeschoolers and operate like private schools in that

they charge tuition and employ their own teachers, who often are not credentialed by the state. Some vendors provide a wide variety of classes, ranging from electives such as sewing and cooking, to core classes such as traditional English, math and science. Many of these vendors do not call themselves schools, but rather enrichment centers, learning centers, home school co-ops, or tutoring academies. Some larger vendors, such as Homeschool Campus and Discovery of Learning, have several campuses, often at churches. Enrolling in a homeschool charter allows the pupil to use the charter school's funds to pay the tuition for these schools, if their assigned charter school teacher approves it.

- ***Public education dollars spent at religious schools.*** There also are religiously affiliated vendors, like the Christian-owned Eden Learning Academy, which until recently said on its website that it is based on a 'Christian Worldview,' or the Christian Youth Theater, which says on its website that part of its objective is to 'share the love of Christ in word and deed.'" Inspire Charter School lists Eden Learning Academy and the Christian Youth Theater as vendors on their website.

Recommended Committee amendments. Staff recommends the bill be amended as follows:

- 1) Make changes to the funding determination to establish a definition of a network and require charter schools in a network to apply for a funding determination at the same time.
- 2) Require auditor selection timing, auditor termination, late audits and notification to authorizer, COE, CDE, and SCO.
- 3) Increase auditor sample size of independent study ADA.
- 4) Require disclosure of charter and CMO management, board members, loans, and shared employees.
- 5) Certify completion of auditor training to the SCO.
- 6) Require peer review of auditors to include LEA audits and removal from SCO list for deficiencies.
- 7) Require the creation of sample audits.
- 8) Make conforming changes to the fingerprinting requirement in EC 45125.1
- 9) Establish Legislative intent to create a statewide charter school oversight entity.

Arguments in support. APLUS+ Personalized Learning Network Association states, "SB 414 will implement several commonsense reforms for NCB (NCB) public charter schools and improve oversight and accountability for these entities. Unlike previous bills introduced in prior legislative sessions under the guise of enacting charter school reforms by threatening their funding and ability to obtain and offer successful alternative education models for hundreds of thousands of families and students that best fit their students' needs, SB 414 is an even-handed, rational approach to solving longstanding issues in the public charter school sector. The bill addresses NCB reforms and charter school governing board policies in four key areas of accountability and oversight, including 1) vendor relationships, 2) authorizer oversight

accountability, 3) auditing practices, auditor training, and expertise, and 4) state oversight and review.”

Arguments in opposition. California Teachers Association states, “Upon the discovery of large-scale fraud perpetrated by a number of NCB charter schools, the Legislature imposed a moratorium on the establishment of new NCB charter schools in 2020, which is set to expire in 2026.

This moratorium gave time for experts from the LAO and FCMAT to investigate these issues and propose comprehensive solutions. In addition, San Diego Superior Court Judge Robert C. Longstreth ordered the State Controller to chair a multi-agency task force to develop audit criteria and best practices for detecting and curtailing future fraud in charter schools.

SB 414 falls short of what is needed, offering incomplete reforms that do not meaningfully resolve the structural issues that contributed to A3. In some sections, the bill creates new problems that undermine charter accountability and legal protections for charter employees.

The bill does not implement core structural reforms recommended in recent oversight reports. For example, it does not adopt the LAO/FCMAT recommendations related to instructional time definitions or real-time enrollment tracking. The LAO and FCMAT also stressed that enhancements to NCB charter oversight by their authorizers are needed in order to prevent fraud and misappropriation of funds. However, SB 414 disregards key report findings and recommendations on that topic as well.

It is critical that the legislature pass comprehensive reforms to NCB charter laws before the moratorium sunset date arrives. Passing incomplete measures that don’t fully address all the issues leading to the A3 scandal will result in continue fraud and is deeply problematic.”

Related legislation. AB 84 (Muratsuchi) of the 2025-26 Session, establishes new requirements for charter schools in the areas of auditing and accounting standards, the funding determination process, contracting process, authorization of NCB charters by small districts, and the authorizer oversight responsibilities.

SB 719 (Cabaldon) of the 2025-26 Session would make changes to the auditing standards for LEAs. This bill was held in the Senate Business, Professions, and Economic Development Committee.

SB 1477 (Ashby) of the 2023-24 Session would have required the governing board of a charter school to review, at a public meeting, the annual audit of the charter school for the prior fiscal year; requires auditors of NCB charter schools to perform specified activities; and requires all LEAs to only enter into an agreement for educational enrichment activities with a vendor that is vetted and approved pursuant to specified criteria. This bill was held in the Assembly Education Committee.

AB 1316 (O’Donnell) of the 2021-22 Session would have established new requirements for NCB charter schools in the areas of auditing and accounting standards, the funding determination process, adding requirements to the contracting process, IS program requirements, required teacher to pupil ratios, limiting authorization of NCB charters by small districts, and adding

specificity to the authorizer oversight process, as specified. This bill was held on the Assembly Floor.

SB 593 (Glazer) of the 2021-22 Session would have required the FCMAT to offer auditors of NCB charter schools training on the review of charter school financial documents to better identify irregular practices, requires the governing board of a charter school to annually review, at a public meeting as an item on the agenda, the annual audit of the charter school for the prior fiscal year, requires all independent study by pupils to be coordinated, evaluated, and under the general supervision of an employee of the LEA who possesses a valid certificate, permit, or other document required by law, and requires all LEAs to only enter into an agreement for the provision or arrangement of educational enrichment activities with a vendor that is vetted and approved pursuant to prescribed criteria. This bill was held in the Assembly Education Committee.

AB 2990 (Cristina Garcia) of the 2019-20 Session, would have prohibited a charter school from providing financial incentives to a pupil or a parent of a pupil for educational enrichment activities; required a NCB charter school, to enter into an agreement for the provision of an educational enrichment activity only with a vendor that has been properly vetted and approved; required the governing body of a NCB charter school to establish policies and procedures to ensure educational value, pupil safety and fiscal reasonableness before approving any contract for educational enrichment activities; and, prohibited educational enrichment activity funds from being used for tuition at a private school or for activities, materials and programs that are religious in nature. This bill failed passage on the Assembly floor.

AB 1505 (O'Donnell), Chapter 486, Statutes of 2019, established a two year moratorium on the establishment of NCB charter schools until January 1, 2022.

AB 1507 (Smith), Chapter 487, Statutes of 2019, prohibits charter schools from being located outside the boundaries of their authorizer and authorizes NCB charter schools to establish one resource center within the jurisdiction of the school district where the charter school is located. SB 1362 (Beall) of the 2017-18 Session would have expanded the existing oversight requirements of, and increased the oversight fees that can be charged by, charter school authorizers; changed the charter petition review process for school district and COEs governing boards; added special education and fiscal and business operations content to the information that must be included in a charter petition; expanded the authority of a governing board to deny charter petitions; and, required the Legislative Analyst to submit a report to the Legislature on special education services by charter schools. This bill was held in the Senate Education Committee.

SB 329 (Mendoza) of the 2015-16 Session would have required a school district or COE, as part of its review of a charter petition, to consider 1) a report assessing its capacity to conduct oversight of the charter school and 2) a report of the anticipated financial and educational impact on the other schools for which the school district has oversight obligations. This bill was held in the Senate Appropriations Committee.

AB 8 X5 (Brownley) of the 2009-10 Session proposed comprehensive changes to the Education Code consistent with the federal Race to the Top (RTTT) program. This bill would have addressed the four RTTT policy reform areas of standards and assessments, data systems to support instruction, great teachers and leaders, and turning around the lowest-achieving schools.

This bill would have deleted the statewide charter school cap; proposed enhanced charter school fiscal and academic accountability standards. This bill was held in the Senate Education Committee.

REGISTERED SUPPORT / OPPOSITION:

Support

Achieve Charter School of Paradise
Alder Grove Charter School
Alder Grove Charter School 2
All Tribes American Indian Charter School
Allegiance Steam Academy
Alma Fuerte Public School
Alpha Public Schools
Altus Schools
America's Finest Charter School
American Heritage Charter Schools
Antioch Charter Academy
Antioch Charter Academy II
Aplus+
Aspen Public Schools, INC.
Aspire Public Schools
Aveson Schools
Big Picture Educational Academy
Big Picture Educational Academy - Adult High School
Bridges Charter School
Bridges Preparatory Academy
Bright STAR Schools
Brookfield Engineering Science Technology
California Asian Chamber of Commerce
California Charter Schools Association
California Charter Schools Association
California Creative Learning Academy
California Online Public School
California Pacific Charter Schools
California Virtual Academies
Camino Nuevo Charter Academy
Capital College & Career Academy
Charter Schools Development Center
Children's Community Charter School
Chime Institute
Circle of Independent Learning Charter School
Clarksville Charter School
Community Montessori
Compass Charter Schools
Compass Charter Schools of San Diego
Connecting Waters Charter Schools
Core Butte Charter School

Core Charter School
Crossroads Charter Academy
Desert Trails Preparatory Academy
Dimensions Collaborative School
Dixon Montessori Charter School
Dr. Lewis Dolphin Stallworth Charter School
Edison Bethune Charter Academy
Eel River Charter School
El Sol Science and Arts Academy
Eleanor Roosevelt Community Learning Center
Element Education
Environmental Charter Schools
Epic California Academy
Epic Charter School
Equitas Academy Charter Schools
Excel Academy Charter School
Extera Public Schools
Family Partnership Charter School
Feaster (mae L.) Charter School
Feather River Charter School
Forest Charter School
Forest Ranch Charter
Gabriella Charter Schools
Gateway College and Career Academy
Gateway Community Charters
Glacier High School Charter
Global Education Academy
Golden Eagle Charter School
Gorman Learning Center Charter School
Gorman Learning Charter Network
Granada Hills Charter
Granada Hills Charter High School
Granite Mountain Charter School
Great Valley Academy
Greater San Diego Academy Charter School
Green DOT Public Schools
Green DOT Public Schools California
Griffin Technology Academies
Guajome Schools
Heritage Peak Charter School
High Tech Los Angeles
Hightech LA
Howard Gardner Community School
Ilead Av Exploration
Ingenium Schools
Innovations Academy
Intellectual Virtues Academy High
Invictus Leadership Academy
Irvine International Academy

Isana Academies
Iva High
Ivy Academia
Ivy Academia Entrepreneurial Charter School
Jamul-dulzura Union School District
Jcs Family Charter Schools
Jcs Family of Charter Schools
Jcs, INC.
John Muir Charter Schools
Julia Lee Performing Arts Academy
Julian Union School District
Kairos Public Schools
Kavod Charter School
Kepler Neighborhood School
Kidinnu Academy
Kipp Public Schools Northern California
Lake View Charter School
Liberty Charter High School
Literacy First Charter Schools
Live Oak Charter School
Magnolia Public Schools
Mayacamas Countywide Middle School
Meadows Arts and Technology Elementary School
Method Schools
Mountain Home School Charter
Natomas Charter School
Navigator Schools
New LA
New Pacific School Roseville
New Village Girls Academy
New West Charter
Nord Country School
Northwest Prep Charter School
Nova Academy Early College High School
Nova Academy-coachella
Ocean Charter School
Odyssey Charter Schools
Olive Grove Charter School
Opportunities for Learning
Options for Youth
Orange County Academy of Sciences and Arts
Orange County School of the Arts / California School of the Arts Foundation
Pacific Charter Institute
Para Los Ninos
Pca College View
Real Journey Academies
Redwood Coast Montessori
River Montessori Charter School
River Oaks Academy Charter School

Rocklin Academy Family of Schools
Rocky Point Charter School
Sage Oak Charter Schools
San Diego Virtual School
Santa Rosa French-American Charter School
Scholarship Prep Charter School
Sebastopol Independent Charter
Shasta Charter Academy
Sherman Thomas Charter School
Sherwood Montessori
Springs Charter School
Stem Prep Schools
Stem Preparatory Schools
Success One! Charter
Summit Public Schools
Sutter Peak Charter Academy
Sycamore Creek Community Charter School
Tehama Elearning Academy
Temecula Valley Charter School
The Cottonwood School
The Foundation for Hispanic Education
The Grove School
The Language Academy of Sacramento
The Learning Choice Academy
The O'farrell Charter Schools
Trillium Charter School
Urban Charter Schools Collective
Valley Charter School
Valley International Preparatory High School
Valley Life Charter Schools
Vaughn Next Century Learning Center
Vibrant Minds Charter School
Virtual Learning Academy
Virtual Learning Academy, Sage Oak Charter Schools
Vista Charter Public Schools
Voices College Bound Language Academies
Vox Collegiate
Western Sierra Charter Schools
Westlake Charter School
William Finch Charter School
Ypi Charter Schools
Yuba County Career Preparatory Charter School
7 individuals

Opposition

California Federation of Labor Unions
California Federation of Teachers
California School Employees Association

California Teachers Association
Carlsbad Citizens for Community Oversight
Public Advocates

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