

The Charter Schools Act of 1992 (Chapter 781, Statutes of 1992) and subsequent amendments were enacted to provide opportunities for students, teachers, parents, and community members to establish and maintain nonsectarian public schools that operate independently from the existing school district structure. The requirements of Proposition 39, approved November 7, 2000, also apply to charter schools. [EC § 47600 et seq.]

A charter school is a public school that is deregulated from most laws and regulations governing traditional public schools in exchange for a performance-based accountability contract. Charter Schools may provide instruction from kindergarten to grade 12. Charter schools, like all public schools, shall not charge tuition, shall not discriminate against any pupil on the basis of the characteristics listed in Education Code section 220. A charter school shall be nonsectarian in its programs, admission policies, employment practices, and all other operations. [EC §§ 220, 47605(d)(1)]

BASIS FOR OPERATION

The intent of the Legislature in establishing charter schools is to accomplish the following: (a) improve pupil learning; (b) increase learning opportunities for all pupils, with an emphasis on academically low achieving students; (c) encourage different and innovative teaching methods; (d) create new professional opportunities for teachers, including the opportunity to be responsible for the school site learning program; (e) provide expanded educational choices for parents and pupils within the public school system; (f) provide a method to change from a rule-based to a performance-based accountability system linked to measurable pupil outcomes; and (g) provide vigorous competition within the public school system to stimulate continual improvements in all public schools. [EC § 47601]

Charter School Growth

Charter schools are a rapidly growing segment in public education. In the 2007-08 school year, the cap on the number of charter schools authorized to operate in California was 1150. The State is authorized to raise this cap by 100 each successive school year. [EC § 47602 (a)(1)] By January 2008, 692 charter schools were operating in California, of which 73 were in San Diego County.

The State Board of Education (SBE) may count individual charter school sites authorized under a single charter toward the cap for the number of charter schools authorized to operate in California unless these sites share similar educational programs and serve similar pupil populations. [EC § 47602(a)(1)]

Types of Charter Schools

The majority of charter schools are newly created schools, i.e., schools that did not exist prior to the approval of their charters. A charter school, except a countywide charter, may also be converted from an existing public school. [EC § 47605(2)] The Education Code also provides for the establishment of countywide and statewide benefit charter schools, as well as district wide conversion to charter school status. [EC §§ 47605.6, 47605.8, 47606] Private schools are not permitted to convert to a public charter school. [EC § 47602(b)]

A charter school's instructional program may be classroom-based, nonclassroom-based, or a combination of both.

LEGAL PROVISIONS

Except where otherwise specifically required, charter schools in California are generally exempt from state laws governing school districts, whether or not these laws are in the California Education Code. [EC § 47610]

Some of the laws charter schools in California must comply with are:

1. The Constitution of the United States of America
2. The Constitution of the State of California
3. All Federal laws [e.g., special education law (IDEA), Americans with Disabilities Act, Section 504 of the Rehabilitation Act of 1973, Family Education Rights and Privacy Act (FERPA), and the No Child Left Behind Act of 2001]
4. Governmental entity laws not specific to school districts (e.g., open meeting laws, employment laws, contract laws)
5. Laws that are a condition of funding for a specific program in which the charter school chooses to participate (e.g., K-3 Class Size Reduction, English Language Acquisition Program)
6. State criminal background screening for employees. [EC §§ 45122.1(h), 44830.1(j)]
7. State laws establishing minimum annual instructional minutes [EC §§ 46201(3)(a), 47612.5(a)]
8. State laws establishing minimum age for school attendance [EC § 48000]

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9. State laws governing independent study programs (whether defined as home schooling, distance learning or otherwise)
 10. State pupil testing requirements (API, PSAA, STAR, CAHSEE)
 11. Specific provisions of law related to state teachers' retirement system and Educational Employees Relations Act [EC § 22000 et seq.; GC § 3540 et seq.]
 12. The California Charter Schools Act of 1992 [EC § 47600 et seq.]
 13. Laws governing privacy [e.g., California Civil Code section 1798.82, Family Educational Rights and Privacy Act (FERPA), Health Insurance Portability and Accountability Act (HIPPA), U.S. Patriot Act, California Education Code sections related to pupil records (EC §§ 49061 et seq., 49073 et seq.)]
 14. State law regarding open meetings [Ralph M. Brown Act (GC § 54950 et seq.)]

Charter schools, through their authorizing agencies or SELPA, may request a waiver of the California Education Code; California Code of Regulations, Title 5; or the Federal No Child Left Behind Program from the State Board of Education. The purpose of a waiver is to provide flexibility without undermining the basic intent of the law. The governing boards of school districts and county offices of education can waive parts of the California Education Code under the SBE's general waiver authority. [EC § 33050 et seq.] Specific waivers under the authority of various Education Code sections are generally more limited in scope.

Charter schools that have opted in under the Williams settlement are bound by the requirements of the implementing sections of the Education Code (see Additional Resources). Charter schools operating grades 10 through 12 are bound by the requirements of the Valenzuela settlement for the California High School Exit Examination (CAHSEE). [EC §§ 35186, 37254]

ESTABLISHING A CHARTER SCHOOL

Charter school founders must use a petition process to establish a charter school. Founders circulate a petition to obtain the required signatures and submit the petition for review and approval to the governing board of the school district in which the proposed charter school intends to operate. A school charter may be authorized by the chartering agency's governing board for a period not to exceed five years. Chartering agencies are usually school districts but may also be county offices of education or the State Board of Education. [EC § 47607(a)(1)]

The chartering agency may not approve a charter petition to serve pupils in a grade level that is not served by the school district unless the petition proposes to serve pupils in all of the grade levels served by the sponsoring school district. [EC § 47605(a)(6)]

Developing the School Charter

The specific goals, operating procedures, and educational philosophy of the charter school are detailed in the school's constitution or "charter." A charter petition must contain specified compliance-based components (see Exhibit 1). The charter must also have reasonably comprehensive descriptions of all the elements described in Education Code section 47605(b)(5), or in the case of countywide charter petitions, Education Code section 47605.6(b)(5) (see Exhibits 2A and 2B). These elements include, but are not limited to: a description of the school's educational program and the student population to be served; the facilities to be used by the school, including where the school intends to locate; clearly defined goals and measurable pupil outcomes; and the governance structure of the charter school. California Code of Regulations, Title 5, section 11967.5.1 conveys the meaning of the elements required for charter approval. All of these elements must be satisfactorily addressed, whether the charter is submitted at the district, county, or state level.

Circulating the Petition

One or more people may circulate a petition to establish a charter school in any school district. A petition for the establishment of a charter school shall identify a single charter school that will operate within the geographic boundaries of the district from which it seeks approval. A charter school may propose to operate at multiple sites within the school district, as long as each location is identified in the charter school petition. [EC § 47605(a)(1)]

The petition shall include a prominent statement that a signature on the petition indicates that the parent or legal guardian is meaningfully interested in having his or her child attend the charter school, or in the case of teacher signatures, that the teacher is meaningfully interested in teaching at the charter school. The proposed charter shall be attached to or incorporated in the petition. [EC § 47605(a)(3)]

Submitting the Petition to the Governing Board

The petition may be submitted to the governing board of the school district for review after either of the following conditions is met:

1. The petition has been signed by a number of parents or legal guardians of pupils that is equivalent to at least 50 percent of the charter school's estimated enrollment in its first year of operation. [EC § 47605(a)(1)(A)]

2. The petition has been signed by at least one-half of the number of teachers that the charter school estimates it will employ in its first year of operation. [EC § 47605 (a)(1)(B)] In the case of a petition that proposes to convert an existing public school, the petition must be signed by at least 50 percent of the permanent status teachers currently employed at the school targeted for conversion. [EC § 47605(a)(2)]

Petitioners for a countywide charter must also provide 30 days notice to each school district of their intent to operate a site in their area before submitting the petition to the county board. [EC § 47605.6(a)(1)(A)]

Upon submission of the charter, petitioners must provide information to the governing board of the school district about the proposed operation and potential effects of the school. Some issues to be addressed are where the school will be located, the facilities it intends to use, the manner in which administrative services are to be provided, and any potential liability effects on the school district. Also required are financial statements that include a proposed first-year operational budget, start-up costs, cash flows, and financial projections for the first three years of operation. [EC § 47605(g)]

A Model Charter School Application has been approved by the State Board of Education and is available on the California Department of Education (CDE) Web site (see Additional Resources). The Model Application assists local education agencies and individuals interested in preparing charters by ensuring that petitions cover all of the minimum elements required by law. It also expedites the process of appeal at the district, county, and State Board levels and provides for uniformity in evaluation among charter authorizers and within the process of appeal. The Model Charter School Application does not create any new requirements, and its use is voluntary.

Public Hearing and Timeline for Board Action

Upon receipt of a complete petition, the governing board of a school district has up to 30 days to hold a public hearing on the charter. If a county board is considering a countywide charter, the governing board has up to 60 days to hold a public hearing. The board shall assess the level of support for the petition by teachers, parents, and the community. Following the public hearing and review of the petition, the governing board has 60 days, or 90 days for a countywide charter, from the time the petition was received to either grant or deny the charter. This time period may be extended an additional 30 days if both parties agree. [EC §§ 47605(b), 47605.6(b)]

Review of the Charter

It is the intent of the Legislature that charter schools are and should become an integral part of the California educational system and that establishment of charter schools should be encouraged. [EC § 47605(b)]

The governing board shall evaluate whether a proposed charter school's educational programs are consistent with sound educational practice as defined in California Code of Regulations, Title 5, section 11967.5.1. The board should refer to these SBE-adopted criteria for the review and approval of all required elements of charter school petitions and supporting documents. Where the criteria call for judgments to be made, the judgments should be made in such a manner as to be reasonable, rational and fair to the petitioners and other parties potentially affected by the chartering of the school. The board shall be guided by the intent of the Legislature and shall not deny the charter unless it makes written factual findings in the petition that support one or more of the following: [EC § 47605(b), 5 CCR §§ 11967.5, 11967.5.1]

1. The charter school presents an unsound educational program for the pupils to be enrolled in the charter school.
2. The petitioners are demonstrably unlikely to successfully implement the program set forth in the petition.
3. The petition does not contain the number of required signatures.
4. The petition does not contain an affirmation of the compliance-based components (see Exhibit 1).
5. The petition does not contain reasonable descriptions of all the elements prescribed in Education Code sections 47605(b)(5) and 47611.5 (see Exhibit 2A), or in the case of countywide charters, Education Code section 47605.6(b)(5) (see Exhibit 2B).
6. In the case of a countywide charter petition, any other basis that the board finds to justify the denial of the countywide charter petition. [EC § 47605.6(b)(6)]

A county board of education may approve a countywide charter only if it finds that the educational services to be provided by the charter school will offer services to a pupil population that cannot be served as well by a charter school that operates in only one school district in the county. A county board of education may also impose any additional requirements that it considers necessary for the sound operation of a countywide charter school. The county board may, as a condition of approval, contract with a third party, at the expense of the charter school, to oversee and monitor the charter school as prescribed by the county board of education. [EC § 47605.6]

Approval or denial of the charter petition shall not be controlled by the collective bargaining agreements or subject to review or regulation by the Public Employment Relations Board. [EC § 47611.5(e)] The board shall also not deny a petition based on the actual or potential costs of serving individuals with exceptional needs. [EC § 47605.7]

Approval of the Petition

Upon the approval of a petition by the chartering agency, the charter school founders shall provide written notice of that approval, including a copy of the petition, to the applicable county superintendent of schools, the California Department of Education and the State Board of Education. Countywide charters must provide notice to the school districts within the county, the State Superintendent of Public Instruction, and the SBE. [EC §§ 47604.4(b), 47605(i), 47605(j) (6), 47605.6(j)]

The CDE requires that the following documents be submitted along with the approval notification: [EC § 47605(i)]

1. Copy of the charter petition (with appropriate signatures)
2. Copy of the charter narrative (required elements, compliance-based components, etc.)
3. Evidence of governing board public hearing (e.g., certified excerpt of governing board minutes)
4. Evidence of governing board approval of charter (e.g., certified excerpt of governing board minutes)
5. Any information provided to the authorizing entity pursuant to Education Code section 47605.

Denial of the Petition

If a charter school petition is denied by a school district, the petitioners may elect to submit the petition to the county board of education. The county board shall review the petition under the same guidelines as the original school district board, pursuant to Education Code section 47605(b). If a county board of education denies the charter, the petitioners may elect to file the petition with the SBE. However, countywide charter petitions denied by the county board of education may not be appealed to the SBE. [EC §§ 47605(j)(1), 47605.6(k)]

If the county board of education or State Board of Education fails to act on a petition within 120 days of receipt, the decision of the governing board of the school district to deny the petition is subject to judicial review. [EC § 47605(j)(4)]

OPENING A CHARTER SCHOOL

Newly operational charter schools must start the school year within the first three months of the new fiscal year, which begins July 1. Charter schools beginning the school year after September 30 will not be eligible for apportionments for that fiscal year. [EC § 47652(b)] Before the state will fund a newly established charter school, a State Board of Education number and a County-District-School (CDS) Code must be assigned. In addition, a county treasury fund must be set up for deposit of the state funds. The following section describes the required steps for opening a charter school.

State Board of Education Charter School Number and CDS Code

Upon State Board of Education approval of a charter school petition, the SBE assigns a charter school number to locally approved charter schools. An optional Request for Charter School Number form may accompany the charter petition documents submitted to the SBE to expedite the numbering process. State Board of Education meeting dates and the Request for Charter School Number form and application deadlines are available on the CDE Web site (Additional Resources).

The CDS Code is a unique identifier that facilitates data collection and allows schools to be easily tracked. After the SBE has assigned the charter school number, the charter school may apply for a CDS Code. CDS code information and an application, Form TSD-01, can be found on the California Department of Education Web site (see Additional Resources).

New charter schools should establish a CDS Code by August to be eligible to receive the first payment of the Special Advance Apportionment for Newly Operational Charter Schools in September.

County Treasury Fund

Charter schools should contact their chartering authorities to establish a fund at the county treasury. [EC § 47651(a)(1)] Only school districts or county offices of education can initiate this process. A sample fund resolution is available at the San Diego County Office of Education (SDCOE) Financial Accounting Web site (see Exhibit 3A and Additional Resources). For more information on the establishment of county treasury funds, contact the SDCOE Financial Accounting Unit.

Standardized Account Code Structure (SACS) Fund 09 and Fund 62 are available to sponsoring agencies to account for their charter schools' financial activities. Fund 09, the Charter Schools Special Revenue Fund, is used to report a charter school's financial transactions separately from the sponsoring agency's General Fund. Fund 62, the Charter School Enterprise Fund, is available to report the activities of a charter school operating as or by an Internal Revenue Code 501(c)(3) nonprofit public benefit corporation on a full-accrual basis (see Exhibit 3B). [EC § 47651(a)(1)]

Notification of County Superintendent

A charter school shall notify the county superintendent of schools of the location of the charter school, including the location of each site, if applicable, prior to commencing operations. [EC § 47604.4 (b)]

GEOGRAPHIC RESTRICTIONS

As a general rule, classroom-based charter schools may locate school sites only within the geographic boundaries of their chartering agency. For example, charter schools approved by a school district may establish school sites only within the school district's boundaries. Any charter school that receives approval of its petition from a county board of education or from the State Board of Education on appeal shall be subject to the same requirements concerning geographic location that it would otherwise be subject to if it had received approval from the entity to which it originally submitted its petition. [EC § 47605(j)(1)] County board and State Board of Education approved charter schools not previously denied by another entity may operate school sites countywide or statewide respectively. [EC §§ 47605.1(a), 47605.1(f), 47605.6, 47605.8]

AB 1994 (Chapter 1058, Statutes of 2002) established geographic and site limitations that apply to charter schools as follows:

1. All services and operations of charter schools approved after July 1, 2002 [EC § 47605.1(a)(1)]
2. All services and operations of charter schools that were approved prior to July 1, 2002, but did not commence operations before January 1, 2003 [EC § 47605.1(a)(3)]

By the later of June 30, 2005 or the expiration date of their charters, all charter schools will be required to comply with the geographic restrictions established by AB 1994. In some cases, approval of material revisions or a new charter petition will be necessary to comply with these requirements. [EC § 47605.1(e)(3)]

If a charter school is unable to establish a site within its sponsoring school district, it may establish one site outside of the jurisdiction of its sponsoring school district, but within the county within which that school district is located, if either of the following circumstances exists:

1. The school has attempted to find a single site or facility to house the entire program, but such a site or facility is not available in the area in which the school chooses to locate.
2. The site is needed for temporary use during a construction or expansion project.

The school district in which a charter school proposes to establish a site must be notified before the charter petition is approved. The county superintendent of schools and the Superintendent of Public Instruction must be notified of the location of the site before it begins operations. [EC § 47605(a)(5)]

Additional Sites After Charter Approval

A charter school wishing to establish one or more additional sites within the jurisdictional boundaries of its chartering agency must make a material revision to its charter. The charter school must notify the chartering authority of the proposed additional location(s), and a request for approval of the revision to the charter must be submitted to the governing board. The governing board must hold an open, public meeting to consider the revision. County board approved charter schools established under Education Code section 47605.6 must have an open, public meeting no sooner than 30 days following notification of the school districts in which the sites will be located. [EC §§ 47605(a)(4), 47605.6(a)(3)] Sponsoring school districts or county offices of education may wish to establish board policies for considering material revisions to a charter. [EC § 47607]

Nonclassroom-Based Facilities

As a general rule, the geographic requirements for nonclassroom-based programs are governed by the provisions of SB 740 (Chapter 892, Statutes of 2001). Nonclassroom-based charters may establish facilities in counties adjacent to that in which the charter school is authorized if the facility is used exclusively for educational support of pupils enrolled in nonclassroom-based programs and the majority of the pupils enrolled in its primary educational services reside in the county in which the school is authorized. A virtual or on-line charter school may receive state funding only for the instruction of pupils who reside in the county where the school is chartered, or in an adjacent county. [EC §§ 47605.1(c), 47612.5, 51747.3(b), 51865; 5 CCR § 11963 et seq.]

GOVERNANCE STRUCTURE

The organizational and technical designs of the governance structure should reflect a seriousness of purpose to ensure that the charter school will become and remain a viable enterprise and that the educational program will be successful. The governance structure should also ensure the active and effective involvement of parents and other interested stakeholders. [EC § 47605(b)(5)(D), 5 CCR § 11967.5.1(f)(4)]

Clear and comprehensive bylaws should be developed to cover all essential topics including, but not limited to, governing body composition and selection, rules of procedure, offices and officers, and committees. The school's administration and staffing structure should be carefully developed to define how policy is implemented and administrative decisions at the school will be made. These procedures may be included in the school's organizational structure or outlined in the charter.

The charter school's governing board should be composed of individuals who can provide the needed expertise to govern the school. Finance, management, law, curriculum and instruction, and community relations are some areas of competence that the charter school's governing board should encompass. A list of the individuals who will comprise the initial board, terms of office, and the process by which future board members are to be selected should be included in the charter petition.

Charter school governing boards meet on a regular basis, usually once per month, to conduct business. No individual board member has authority over charter policies or employees, and no single member may commit the group. All board meetings shall be open to the public and conducted in accordance with the Ralph M. Brown Act (see Additional Resources). [GC § 54950 et seq.] Charter boards may deliberate or take action on a matter only at a lawful meeting open to the public unless authorized by law to conduct a closed session. [GC § 54952] (See also Governing Board Meetings.)

Conflicts of Interest

The Political Reform Act requires officials and certain employees who serve in positions designated in an agency's conflict of interest code to file a Statement of Economic Interests (Form 700) to disclose assets and income that may be materially affected by their official actions. It is up to the charter governing board to adopt financial disclosure requirements for its officers and employees. Each charter must adopt a conflict of interest code tailoring the disclosure requirements for each position within the agency to the types of governmental decisions a person holding that position would make. [GC §§ 87100 et seq., 87200 et seq., 87301-2]

Nonprofit Public Benefit Corporation

A charter school may elect to be operated as or by a nonprofit public benefit corporation, otherwise known by Internal Revenue Code (IRC) section 501(c)(3). [EC § 47604(a)] Charter school 501(c)(3)s are formed under and governed by Nonprofit Public Benefit Corporation Law, found in section 5110 et seq. of the Corporations Code.

Charter schools that elect to be operated as or by a 501(c)(3) remain under the jurisdiction of the public school system. [EC § 47615]

Charter schools operating as 501(c)(3) nonprofit public benefit corporations may be required to file IRS Form 990-N, *Electronic Notice (e-Postcard) for Tax-Exempt Organizations not Required to File Form 990 or Form 990-EZ* by May 15. The e-Postcard is completed and filed with the IRS on the Internet. Complete details on the annual filing requirement for small exempt organizations are available on the Internal Revenue Service Web site (see Additional Resources). [26 CFR § 6033(a)(1)]

It is the intent of the Legislature to give charter granting agencies protection from the debts or liabilities of their charter schools operated as or by a 501(c)(3). The granting agency will also not be liable for claims arising from the performance of acts, errors, or omissions by the charter school if the granting agency has complied with all oversight responsibilities required by law. [EC § 47604(c)]

Granting agencies that sponsor charter schools established as a 501(c)(3) or operated by a nonprofit public benefit corporation shall be entitled to a single representative on the board of directors of the nonprofit public benefit corporation. [EC § 47604(b)]

CHARTER SCHOOL STAFF

Charter school staff is generally categorized as either teaching personnel or non-teaching, support personnel. This section discusses the requirements for both groups. The No Child Left Behind Act of 2001 (NCLB) imposes additional requirements for charter school teachers and paraprofessionals (see Additional Resources).

Teaching Personnel

Education Code section 47605(l) requires charter school teachers who teach core or college preparatory classes to hold a teacher credential certificate, permit, or equivalent document. These documents must be kept on file at the charter school and are subject to periodic inspection by the chartering authority.

Charter school teachers who teach core academic subjects must also meet the “highly qualified” teacher requirements of the No Child Left Behind Act. [34 CFR §§ 200.56, 300.18] More information on these requirements can be found in *NCLB Teacher Requirement Resource Guide*, which is available online (see Additional Resources).

It is the Legislative intent that charter schools be given staffing flexibility with regard to teachers of noncore, noncollege preparatory courses. The sponsoring school district and charter school developers should come to agreement on the interpretation of these provisions, and this matter should be clarified and defined in the charter document and/or the instructional design of the school.

Paraprofessionals who assist in instruction in Title I, Part A supported programs are subject to the paraprofessional requirements of the No Child Left Behind Act. More information on this requirement can be found at the CDE No Child Left Behind Web site (see Additional Resources).

Non-Teaching Staff

There are no requirements or restrictions specifically stated in charter school law with regard to non-teaching positions. However, it is prudent for charter developers to define the necessary skills, experience, and abilities required to fill each of these positions.

Criminal Background Screening

Public schools are prohibited from hiring any person convicted of a violent or serious felony except as otherwise provided by law. [EC §§ 44830.1, 45122.1] Every employee is required to provide the school with a criminal record summary as described in Education Code sections 44237 and 45125. Fingerprinting requirements also may apply to independent contractors, depending upon the level of contact with pupils. [EC § 45125.1] (See also Human Resources and Purchasing.)

Charter School Management Services

Charter schools may elect to contract all or a portion of their management and operational services to other agencies. Services may include human resources, credentialing, student information, special education, legal, accounts payable and receivable, budgeting, accounting, payroll, retirement reporting, etc. These services may be provided by school districts, county offices of education, private firms, corporations, or individuals.

Charter schools may request the Fiscal Crisis and Management Assistance Team (FCMAT) to provide fiscal management assistance. [EC § 42127.8(d)(1)]

PUPIL ENROLLMENT

Attendance Boundaries

It is important for charter schools to verify the residency of their students upon enrollment and annually thereafter. The state will fund only the average daily attendance (ADA) that is generated by California residents. A pupil attending a classroom-based charter school may reside anywhere in California regardless of the charter school location or sponsorship. [EC § 47612(b)] For charter schools to receive funding for nonclassroom-based ADA, pupils must reside in the county that sponsored the charter or an immediately adjacent county. [EC § 51747.3(b)] No charter school shall receive any public funds for a pupil if the pupil also attends a private school that charges the pupil's family for tuition. [EC § 47602(b)]

Admissions and Enrollment Policies

Charter school law requires that the student body of a charter school be racially and ethnically diverse and/or be reflective of the general population residing within the school district. [EC § 47605(b)(5)(G)] Charter schools must admit all students who wish to attend the school unless there is insufficient capacity to meet demand. [EC § 47605(d)(2)] This requirement includes English language learners and students with exceptional needs.

A charter school may establish admission requirements. However, these requirements must not discriminate and must be applied evenly to all prospective students. [EC §§ 47605(b)(5)(H), 47605(d)]

A charter school should establish an enrollment policy to address issues that may arise when demand exceeds the school's capacity. This policy must be fair, non-discriminatory, and consistent with the law. Preference shall be extended to current enrolled pupils and pupils who reside in the district. The chartering authority may also permit other preferences on an individual school basis if they are consistent with the law. [EC § 47605(d)(2)(B)]

When demand for enrollment exceeds the charter school's capacity, the charter school is required to use a public random drawing for the admission of new students. It is the responsibility of the charter school administration to develop this random selection process. The process should be carefully thought out, bearing in mind the potential for controversy. [EC § 47605(d)(2)(B)]

Conversion charter schools must give preference to students who reside within the attendance area of the former traditional public school. Charter schools with schoolsites located within the attendance boundaries of a traditional public elementary

school in which 50 percent or more of the enrollment qualifies for free or reduced priced meals may give admission preference to students enrolled or residing within the attendance boundaries. [EC § 47605.3]

Age Requirements and Restrictions

Charter schools shall comply with all laws establishing minimum age of public school attendance. [EC §§ 47610(c), 47612(b), 48000 et seq., 48210]

A charter school student over the age of 19 may generate K-12 attendance funding only if the student has been continuously enrolled since his or her 19th birthday, has met the criteria for satisfactory progress as defined in the California Code of Regulations, Title 5, section 11965, and is not over the age of 22 years. [EC §§ 46300.1, 47612(b)]

Work Permits

The chief executive officer, or the equivalent position, or authorized designee, of a charter school that a minor attends may issue work permits to certain minors (see Additional Resources). [EC § 49110 et seq.]

SCHOOL CALENDAR AND ATTENDANCE

Minimum Instructional Minutes and Days

The charter school governing board should adopt a school calendar prior to July 1 of each school year. Charter schools are required to operate for a minimum of 175 days of actual instruction between July 1 and June 30 each fiscal year to receive a full apportionment. Charter schools not fulfilling this requirement will have their apportionment reduced proportionately. [5 CCR § 11960(b)]

A charter school must offer the minimum annual instructional minutes by grade level as prescribed in Education Code section 47612.5, as follows:

Kindergarten	36,000 minutes
Grades 1-3	50,400 minutes
Grades 4-8	54,000 minutes
Grades 9-12	64,800 minutes

The annual audit report will show whether the charter school complied with the instructional minutes provisions, or should be penalized due to noncompliance. The charter school's oversight agency should ensure the charter school fulfills the minimum instructional minutes requirement. [EC §§ 47612.5-2.6; 5 CCR § 19854]

Attendance Accounting

Average daily attendance (ADA) for charter schools is calculated by dividing the number of days of pupil attendance by the number of days taught. [5 CCR § 11960(a)] Charter schools must maintain written contemporaneous records that document pupil attendance and make those records available for inspection and audit. [EC § 47612.5(a)(2)] (See also Attendance Accounting.)

Unlike their traditional school counterparts, there is no minimum day requirement for charter schools to claim ADA. ADA may be claimed as long as pupils are engaged in educational activities required of them by their charter schools on days when school is actually taught. Because students are not statutorily required to attend a minimum number of minutes per day, a well-written charter should specify the expectations for pupil attendance for purposes of pupil assessments and meeting grade level standards of academic achievement. Charter schools cannot claim more than one day of ADA per pupil per day, even for pupils who participate in a combination of classroom and nonclassroom-based programs. [EC §§ 46300(e)(2), 47612(b), 47605(c)(1), 47612.5; 5 CCR § 11960(a)]

Charter schools must use CDE Principal Apportionment Attendance Software to report average daily attendance and other related data used to calculate principal apportionments. The current software may be downloaded at the CDE Finance and Grants Web site (see Additional Resources). More information on the software and reporting changes are presented in Exhibit 4.

The designated charter school official responsible for reporting attendance must specifically certify that all of the attendance reported is for pupils whose attendance is eligible for public funding. [EC§ 47602(b), 5 CCR § 11966]

Because of the relationship between attendance and state apportionment, each charter school must develop and maintain accurate, written contemporaneous attendance records that document all pupil attendance reported to the state. Charter schools must meet apportionment conditions established by the Legislature to receive only the public funds to which they are legally entitled. Each charter should establish and maintain an attendance accounting system with a clear, consistent procedure for documenting pupil attendance for state funding and compulsory education purposes. The annual independent audit verifies reported ADA to ensure that applicable state and federal compliance requirements are met. Findings of noncompliance with apportionment-significant conditions may result in reduced funding. Section 19850 et seq. of Title 5, California Code of Regulations of the *Standards and Procedures for Audits of California K-12 Local Educational Agencies* is available online (see Additional Resources).

Multitrack Charter Schools

Charter schools may operate multiple track school calendars. However, Title 5, California Code of Regulations, section 11960 adversely affects the way multiple track charter school ADA is calculated. Multitrack charter schools should request a waiver from the SBE to calculate ADA by individual tracks, as opposed to total number of days offered schoolwide. The “Average Daily Attendance Alternative Calculation Method for Multitrack Charter Schools” can be used for up to five tracks. (See Exhibit 5.)

To be eligible to request a waiver from the State Board of Education, a charter school shall submit its application to its chartering authority. [EC § 33054]

CHARTER SCHOOL FUNDING MODEL

The charter school funding model was created to provide charter schools with an operational funding level equivalent to a similar school district serving a similar pupil population. [EC § 47630(a)] The charter school funding model applies to all charter schools. The funding model is made up of two basic components, the general purpose entitlement and the categorical block grant. Charter school state aid apportionment schedules are provided in Exhibit 6.

General Purpose Entitlement

The general purpose entitlement is usually the largest source of unrestricted charter school revenue. It is ADA formula driven. Charter schools are funded for their current year ADA only and thus have no protection from declining enrollment. Unlike the district revenue limit, the general purpose entitlement is funded as the statewide average amount of general-purpose funding per unit of ADA received by school districts at four different grade levels: K-3, 4-6, 7-8, and 9-12. [EC § 47632]

The general purpose entitlement is similar to revenue limits in that it is funded by a combination of state aid and local funds. The local portion of funds, called the “in-lieu of property tax,” is computed by multiplying the tax dollar amount per ADA of the sponsoring school district by the charter school’s total ADA. The balance of the general purpose entitlement is funded by “state aid.” [EC § 47633] A basic aid district pays either the district’s average property taxes per ADA or the charter general purpose block grant per ADA, whichever is less. [EC § 47663]

The CDE provides worksheets to help local educational agencies (LEAs) compute the state aid and in-lieu of property tax components of a charter school’s general purpose entitlement. “Charter School Block Grant Funding EHS” is the worksheet to be used by charter schools sponsored by a high school or elementary school district (Exhibit 7). Charter schools sponsored by unified districts should use “Charter School Block Grant

Funding Unified” (Exhibit 8). [EC § 47660] Funding exhibits, which show the calculations for general purpose entitlements, are available on the CDE Finance and Grants Web site under “Principal Apportionments” (see Additional Resources).

In-Lieu of Property Tax

The “sponsoring local education agency” must transfer the in-lieu of property tax funds to the charter school by the 15th of each month according to the schedule detailed in Education Code section 47635(b) (Exhibit 6).

The sponsoring local education agency is usually the school district that approved the charter. If the charter school was initially denied by a school district and granted a charter by a county office of education, the sponsoring local education agency is the school district that initially denied the charter. If the charter school is sponsored by the State Board of Education, the sponsoring local education agency is the local education agency designated by the SBE. [EC § 47632(i)]

Categorical Block Grant

The charter school categorical block grant was created to provide charter schools with a flexible source of unrestricted funds consolidated from individual restricted categorical programs. Charter schools are not eligible to apply separately for these programs. The state has established funding levels, based on the programs that comprise the block grant, as \$500 per unit of ADA for 2007-08 and estimated \$468 per unit of ADA for 2008-09. Funding exhibits provided under “Principal Apportionments” on the CDE Web site enable charter schools to calculate categorical block grant funding (Exhibit 9). [EC §§ 47631.1, 47634]

In-Lieu of Economic Aid

Charter schools are granted funding for each economic impact aid-eligible pupil and English learner identified. (See also Budgets.) Students identified as both English learners and economic impact aid-eligible should be counted twice to receive funding for both identifications. These funds are apportioned according to the same schedule as the categorical block grant.

Direct or Local Funding

Charter schools have the choice of receiving funds either directly or through their chartering authority. [EC § 47651(a)] Charter schools make this election annually at the end of May with the electronic submission of a CDE Charter Schools Information Sheet and Funding Survey (see Additional Resources).

Locally funded charter schools are considered part of the chartering authority's fiscal operations, and thus their funds pass through their chartering agencies. [EC § 47651(a)(2)] Locally funded charter schools that wish to participate in programs outside of the charter school categorical block grant must apply through their sponsoring districts.

Funds for direct funded charter schools are deposited directly into a county treasury fund in the county in which the charter school was approved. [EC § 47651(a)(1)] Direct funded charter schools are generally fiscally independent from their sponsoring districts and must apply separately for additional funding.

Special Apportionment of Newly Operational Charter Schools

Start-up charter schools opening by September 30 may be eligible to receive an advance apportionment for newly operational charter schools. The first payment is paid in late September and is equal to 34 percent of the state aid and categorical block grant portions based on the estimated second principal apportionment (P2) ADA projections from the charter school's Information Sheet and Funding Survey. The second payment is scheduled for late November and is equal to 58 percent of the recalculated state aid and categorical block grant portions based on the ADA reported from the first 20 days of operation minus the amount paid in the first payment. The categorical block grant payment will include funding for disadvantaged pupils. [EC § 47652(a)]

Special Apportionment for New Grade Level Expansion

Charter schools in their second or later year of operation may be eligible to receive an advance apportionment for adding a new grade level based upon grade level ADA projections from the charter school's Information Sheet and Funding Survey, and New Grade Level Expansion Charter School Advance Apportionment 20-Day Actual Certification of District Charter School. The ADA funded for a new grade level shall not exceed the portion of the certified P2 ADA for the prior year attributable to the pupils in the highest grade served by the charter school. Additional advance apportionment funding is limited to the general purpose entitlement and per ADA portion of the categorical block grant. [EC § 47652(b)]

Additional Funding Sources

The San Diego County Office of Education has developed a Charter School Financial Planning Matrix to assist charter schools in finding funding sources outside the charter school funding model. The programs in the matrix are not all-inclusive but serve as a good starting point. Charter schools must comply with all laws and regulations of the

programs in which they elect to participate. The Charter School Financial Planning Matrix is available at the SDCOE Charter School Financial Services Web page (see Additional Resources).

OVERSIGHT OF CHARTER SCHOOLS

The chartering agency that grants a school's charter shall be responsible for oversight of the charter school. If the SBE approves the charter, the oversight agency may be a cooperative local education agency in the county where the charter was initially denied. [EC § 47605(k)]

Chartering school districts or county boards of education have the responsibility of monitoring their charter schools to ensure that the schools' activities and goals are consistent with their charters and the law. The cost of these duties shall be funded with the oversight fees collected by the chartering authority. [EC §§ 47604.33(b)-(c), 47613]

Chartering school districts or county boards of education have the responsibility of working with their charter schools in Program Improvement to ensure that each charter has taken the appropriate steps in compliance with NCLB. The chartering authority is responsible in general for holding charters accountable to the Title I, Part A parent involvement provisions and the highly qualified requirements for teachers and other school staff (see Additional Resources).

Assembly Bill 1137 (Chapter 892, Statutes of 2003) expanded oversight responsibilities for chartering authorities. [EC § 47604.32] For each charter school under its authority, the chartering authority shall:

1. Identify at least one staff member as a contact person for the charter school.
2. Visit each charter school at least annually.
3. Ensure that each charter school complies with all reports required of charter schools by law.
4. Monitor the fiscal condition of each charter school.
5. Provide timely notification to the CDE if any of the following circumstances occur or will occur:
 - a) A renewal of the charter is granted or denied.
 - b) The charter is revoked.
 - c) The charter school will cease operation for any reason.

Oversight Fees

A chartering authority may charge up to one percent of the charter school's revenue for the costs of oversight. A chartering authority may charge up to three percent of the charter school's revenue if it provides the charter school substantially rent-free facilities. Charter school revenue for this purpose is defined as the general purpose entitlement and categorical block grant. [EC §§ 47613, 47632]

Policies and Memorandums of Understanding

Districts with a large number of charters have developed charter school policies to act as a framework for the relationship between the district and each of its charter schools. A memorandum of understanding (MOU) between the district and a charter school supplements the charter provisions and should define specific expectations and responsibilities of the two parties. It may address in detail issues such as student performance and expectations of educational programs, special education, frequency of school site visits, financial reporting requirements, and any services that are being provided by the district.

Monitoring and Investigation of Charter Schools

Charter schools shall promptly respond to all reasonable inquiries, including, but not limited to, inquiries regarding financial records, from its chartering authority, the county office of education of their chartering agency, or the Superintendent of Public Instruction and shall consult with their chartering agency, the county office of education, or the Superintendent of Public Instruction regarding any inquiries. [EC § 47604.3]

The chartering authority shall monitor the fiscal condition of each charter school under its authority. The chartering authority may inspect or observe any part of the charter school at any time. [EC §§ 47604.33, 47607(a)(1)]

The county superintendent of schools of the county in which the charter school is located may monitor or conduct an investigation into the operations of a charter school based upon written complaints by parents or other information that justifies such actions. The county office of education shall not incur any liability beyond the cost of the investigation. [EC § 47604.4(a)]

The expenditures and internal controls of a charter school may be reviewed or audited at any time during the fiscal year if the county superintendent of schools has reason to believe that fraud, misappropriation of funds, or other illegal fiscal practices have occurred that merit examination. The review or audit shall focus on the alleged fraud, misappropriation of funds, or other illegal fiscal practices and shall be conducted in a timely and efficient manner. [EC § 1241.5]

The county superintendent may request the County Office Fiscal Crisis and Management Assistance Team (FCMAT) to review the fiscal or administrative condition of a charter school. [EC§ 42127.8(c)(2)]

Financial Reporting

Education Code section 47604.33 requires charter schools to prepare a series of annual financial reports to be submitted to the chartering authority and the county superintendent of schools of the county in which their sponsoring district is located. Charter schools must provide the following reports to these agencies:

1. On or before July 1, a preliminary budget.
2. On or before December 15, a first interim financial report that reflects changes through October 31.
3. On or before March 15, a second interim financial report that reflects changes through January 31.
4. On or before September 15, a final unaudited report for the full prior year in a format prescribed by the Superintendent of Public Instruction. The format of these statements may be periodically amended by the State Board of Education to accommodate changes in statute or government reporting standards. [EC § 42100]

Charter schools not using a SACS compliant accounting system may use the Charter Schools Unaudited Actuals Financial Report—Alternative Form for these reports available at the CDE Financial Reporting Division Web site (see Additional Resources). [5 CCR § 15071]

By December 15 of each year, charter schools must file copies of their annual independent financial audit reports with their chartering agencies, the county superintendent of schools of the county in which the charter school is sited, the State Controller, and the CDE, unless the charter school is encompassed in the financial audit of its chartering agency. [EC §§ 41020, 47605(m), 5 CCR § 19850 et. seq.]

SPECIAL EDUCATION

Charter schools are not exempt from any Federal laws, including those that govern special education. Charter schools must not discriminate based on disability and must admit special education students. Education Code section 47640 et seq. addresses the topic of special education.

Public School of a Local Education Agency

The chartering authority is responsible for ensuring that Free, Appropriate Public Education (FAPE) special education services are provided to all students attending its charter schools, regardless of the students' places of residence. For purposes of special education, a charter school may be deemed a public school of the local educational agency that granted its charter and may participate in special education funding and services as any other public school of the sponsoring LEA. [EC § 47646]

Local Education Agency in a Special Education Local Planning Area

A charter school may be considered a local educational agency for the purposes of compliance with the Federal Individuals with Disabilities Education Act [20 USC § 1400 et seq.] if written assurances are provided that the charter school has been accepted to participate as a LEA in a special education local planning area (SELPA). Charter schools that are not LEAs of a SELPA will be deemed a public school of the LEA that granted their charters. [EC §§ 47641, 56121, 56123, 56195.1(f), 56195.3(b), 56207.5(a-c)]

Special Education Service Organizations

Some charter schools make arrangements with their chartering authorities to have special education services provided by a private organization in exchange for special education funding that is generated by the charter school's students. The charter school will incur any special education expenses that encroach upon its general funds. However, the chartering agency still has supervisory oversight responsibilities under the provisions of the Charter Schools Act and the Individuals with Disabilities Education Act for ensuring that special education services are provided to pupils who attend the charter school.

INDEPENDENT STUDY

In order to offer independent study (IS), a detailed description of the nonclassroom-based instructional program a charter school will offer must be included in the charter. [EC § 47605(b)(5)(A)] Charter schools are required to meet the same conditions for independent study as traditional schools, as prescribed by Education Code sections 51745 through 51749.3 and Title 5, California Code of Regulations, section 11963 et seq. [EC §§ 47612.5(b), 51865] However, the five-day minimum for independent study under Education Code section 46300(e) does not apply to charter schools (see Exhibit 1).

Nonclassroom-based charter schools must have a school site principally used for classroom instruction and must make the classroom option continuously available in the charter school or school of residency. Charter schools shall not provide funds or other things of value to IS students or their parents that they do not provide to pupils who attend regular classes. Independent study is an optional educational alternative, and participation must be voluntary. [EC § 51747]

To be eligible to receive funding for independent study, a charter school must adopt written board policies and regulations for its independent study program and have a written master agreement for every pupil participating in independent study. IS programs shall comply with all state testing and high school graduation laws. [EC § 51745]

A school is eligible to receive ADA for IS only when a master agreement is signed and dated by the student, parent, supervising teacher, and all other persons responsible for providing assistance to the pupil. A properly credentialed teacher must be assigned the overall responsibility to coordinate, evaluate, and provide general supervision of each pupil's independent study. Independent study agreements shall not be valid for more than one semester, or one-half year for a school on a year-round calendar. Charter schools must also follow the regulations covering records retention under Title 5, California Code of Regulations, section 11703. [EC § 51747, 5 CCR § 11702]

ADA for Nonclassroom-Based Charter Schools

Charter schools may claim apportionment credit for independent study based on the time value of pupil or student work products, as personally judged in each instance by a certificated teacher. [EC § 51747.5(b)] Only pupils who are residents of the county in which an apportionment claim is reported or who are residents of a county immediately adjacent to the county in which the apportionment claim is reported are eligible to generate ADA for a charter school. [EC § 51747.3(b)]

Teacher to ADA Ratio

For nonclassroom-based pupils age 18 years or less, the charter school teacher-to-ADA ratio shall not exceed the teacher-to-ADA ratio of 1:25 or the equivalent ratio of the largest unified school district in the county of sponsorship. No ADA above this ratio will be funded by the state. [EC § 51745.6; 5 CCR § 11704]

SB 740

Senate Bill 740 (Chapter 892, Statutes of 2001) authorized the SBE to establish rules for funding of charter schools for nonclassroom-based ADA. [EC § 47634.2] These criteria are found in Title 5, California Code of Regulations, sections 11963 through

11963.7. Under these regulations, charter schools that do not offer classroom-based instruction for at least 80 percent of the required instructional time are subject to reductions of up to 30 percent of state funding for nonclassroom-based ADA. These reductions will affect the funding of all programs that are ADA formula driven.

All charter schools that offer nonclassroom-based instruction should file a Funding Determination form with the CDE Charter Schools Division. Reductions may be waived if the information provided meets the criteria defined in the Title 5 regulations. Senate Bill 740 forms, information, and regulations are available on the “Nonclassroom-Based Instruction and SB 740” page of the CDE Web site (see Additional Resources).

FACILITIES

Field Act Compliance

California Attorney General Opinion No. 96-1206 confirms that the Field Act does not generally apply to charter schools (see Additional Resources). However, charter school facilities constructed under the Charter School Facilities Program must comply with the Field Act. [EC §§ 17280-317, 17365-74] (See also Facilities Planning.)

California Building Standards Code

With specified exceptions, charter school facilities shall comply with the California Building Standards Code (commencing with section 101 of Title 24 of the California Code of Regulations), as adopted and enforced by the local building enforcement agency with jurisdiction over the area in which the charter school is located. [EC §§ 47610-10.5] (See also Facilities Planning.)

Proposition 39

Proposition 39, passed November 7, 2000, requires school districts, if requested, to provide facilities to charter schools with 80 or more in-district classroom ADA. A facilities request cannot be denied by any district in which the charter school is operating unless: 1) ADA projections are unreasonable, 2) projected ADA is less than 80, or 3) there is some other statutory exception. [EC § 47614] It is important for charter schools and districts to consult Title 5, California Code of Regulations, Facilities for Charter Schools, for clear definitions of Proposition 39 requirements (see Additional Resources). [5 CCR § 11969.1 et seq.]

Charter schools already in operation have until November 1 of each year to submit their requests to school districts to receive facilities for the next fiscal year beginning with the 2010-11 facilities request cycle. New or proposed charter schools must submit their charter petitions before November 1 and must submit their requests for facilities prior to

November 1. The CDE has developed a charter schools facility request form for this purpose (see Additional Resources). When a charter school submits a facilities request, it must make a showing of its enrollment projections with relevant documents.

To allow time for a school district to make a preliminary proposal for facilities by February 1 and a charter school to respond with counterproposals by March 1, constructive negotiations should take place early January. The district has until April 1 to make a final proposal for a school site. The charter school then has the later of 30 days from when the offer was tendered or May 1 to accept or reject the school district's proposal. Disputes may be subject to optional mediation. The district must make the space available to the charter school 10 working days prior to the commencement of instruction.

A charter school must reimburse the school district for over-allocated space if charter ADA projections were overestimated by 10 percent or 25 ADA, whichever is greater, in comparison to their actual P2 ADA. The reimbursement rate will be equal to the statewide average cost avoided due to the operation of year-round schools.

School Facility Program (SFP)

The School Facility Program (SFP) provides State funding assistance for two major types of facility construction projects: new construction and modernization. A charter school may not independently apply for the School Facility Program, but the charter's sponsoring district may do so on behalf and at the request of the charter school. When the project is completed, title to the facility is held in trust by the school district, not the charter school (see Additional Resources). (See also Facilities Planning.)

Charter School Facilities Program (CSFP)

The Charter School Facilities Program (CSFP) was established in 2002 to enable charter schools to construct facilities (see Additional Resources). The CSFP provides state funds on a 50/50 state and local match basis. This program received \$100 million in bond funding from the passage of Proposition 47 in 2002 and \$300 million from the passage of Proposition 55 in 2004. Up to \$500 million in additional funding for charter schools is available for new construction or rehabilitation of specified school facilities from Proposition 1D, the Kindergarten-University Public Education Facilities Bond Act of 2006, approved November 7, 2006. The Office of Public School Construction (OPSC) is the lead agency coordinating the CSFP. [EC §§ 17078.52-8.66]

Charter School Facility Grant Program

The Charter School Facility Grant Program is intended to provide \$18 million annually as assistance with costs associated with facilities rents and leases, as defined in the California School Accounting Manual, for pupils in charter schools. An eligible charter school may apply for \$750 per ADA, not to exceed 75 percent of its annual facilities rent and lease costs. If there are insufficient funds to reimburse all eligible charter schools at the maximum level, the funding will be reduced on a pro-rata basis (see Additional Resources). [EC §§ 47614.5]

Restroom Maintenance

Every public and private school maintaining any combination of classes from kindergarten to grade 12, inclusive, shall maintain clean, fully operational, and well stocked restrooms at all times. The school has up to 30 days after receiving written notice to cure any violation. [EC § 35292.5] The Office of Public School Construction (OPSC) has developed a restroom maintenance complaint form, SAB 892, which is available at the OPSC Web site (see Additional Resources). (See also Facilities Planning and Maintenance and Operations.)

CHARTER RENEWALS

Charters are initially granted for a period not to exceed five years and may be granted one or more subsequent renewals by the granting authority. Renewals of charters are governed by the standards and criteria in Education Code section 47605, [EC §§ 47605(a)(2), 47607] and shall include, but not be limited to, a reasonably comprehensive description of any new requirement of charter schools enacted into law after the charter was originally granted or last renewed.

All charter renewals are contingent upon the academic performance of the school as measured by the Academic Performance Index (API) or other means to measure pupil academic performance. After a charter school has been in operation for four years, the charter school shall meet at least one of the following criteria prior to receiving a charter renewal. [EC § 47607(b)]

1. Attain its API growth target in the prior year or in two of the last three years, or in the aggregate for the prior three years.
2. Rank in deciles 4 to 10, inclusive, on the API in the prior year or in two of the last three years.
3. Rank in deciles 4 to 10, inclusive, on the API for a demographically comparable school in the prior year or in two of the last three years.

4. The chartering authority determines that the academic performance of the charter school is equal to the academic performance of the public schools that the charter school pupils would otherwise have been required to attend, as well as the academic performance of the schools of the district where the charter is located, taking into account the composition of the pupil population that is served at the charter school. The Superintendent of Public Instruction then shall review the chartering authority's materials for renewal and make recommendations.
5. The charter has qualified for an alternative accountability system pursuant to section 52052(h) of the Education Code.

Charter school renewals shall be for a period of five years. [EC § 47607(a)(1)] A letter from the school district or an excerpt of the minutes of the board meeting certifying that the charter has been renewed should be sent to the Charter Schools Division of the CDE. [EC § 47604.32(e)(1)]

The renewal petition for a charter that was granted through an appeal to the SBE is submitted to the governing board of the school district that initially denied the charter. If the renewal is denied, the school may petition the county office of education for renewal. If the county office denies the renewal, the school may petition the SBE. [EC §§ 47605(k)(3), 47607]

Material Revisions

Any material changes in the provisions of a charter may be made only with the approval of the authority that granted the charter. Any material revisions are governed by the standards and criteria in Education Code sections 47605 and 47607. Adding school sites and converting to a nonprofit public benefit corporation are examples of material changes.

REVOCATION OF CHARTERS

A chartering authority may revoke a charter whenever it finds, through a showing of substantial evidence, that the charter school did any of the following:

1. Committed a material violation of any of the conditions, standards, or procedures set forth in the charter.
2. Failed to meet or pursue any of the pupil outcomes identified in the charter.
3. Failed to meet generally accepted accounting principles or engaged in fiscal mismanagement.

4. Failed to comply with charter provisions.
5. Violated any provision of law.

Prior to revocation, the chartering authority must notify the charter of any violations and give the school a reasonable opportunity to remedy the violation. This notice may be waived if the chartering authority determines, in writing, that the violation constitutes a severe and imminent threat to the health or safety of the pupils. [EC §§ 47607(b)-(d)]

Prior to revoking a charter for failure to remedy a violation, and after expiration of the charter's reasonable opportunity to remedy without successfully remedying the violation, the chartering authority shall provide a written notice of intent to revoke and notice of facts in support of revocation to the charter school. Within 30 days after providing the notice of intent to revoke a charter, the chartering authority shall hold a public hearing on the issue of whether evidence exists to revoke the charter.

The chartering authority shall issue a final decision to revoke or decline to revoke the charter within 30 days after the public hearing unless the chartering authority and the charter school agree to extend the issuance of the decision by an additional 30 days. The chartering authority shall not revoke a charter unless it makes written factual findings supported by substantial evidence specific to the charter school that support its findings. [EC § 47607(e)]

APPEALS ON CHARTERS THAT HAVE BEEN REVOKED

If the chartering authority revokes a charter, the charter school may appeal the revocation to the State Board of Education within 30 days following the decision of the chartering authority. The State Board may reverse the revocation decision if the State Board determines that the findings made by the chartering authority under Education Code section 47607(e) are not supported by substantial evidence.

If a school district as the chartering authority revokes a charter, the charter school may appeal the revocation to the county board of education within 30 days following the final decision of the chartering authority.

1. The county board may reverse the revocation decision if the county board determines that the findings made by the chartering authority under Education Code section 47607(e) are not supported by substantial evidence. The school district may appeal the reversal to the State Board of Education.
2. If the county board upholds the revocation, or does not issue a decision on the appeal within 90 days of receipt, the charter school may appeal the revocation to the State Board of Education. [EC §§ 47607(f)]

The State Board may uphold or reverse the revocation decision if the State Board determines that the findings made by the chartering authority are or are not supported by substantial evidence. [EC §§ 47607(g)]

If the revocation decision of the chartering authority is reversed on appeal, the agency that granted the charter shall continue to be regarded as the chartering authority. [EC §§ 47607(h)]

During the pendency of an appeal filed under Education Code section 47607, a charter school whose revocation proceedings are based on Education Code section 47607(c) (1) or (2) shall continue to qualify as a charter school for funding and for all other purposes of the Charter Schools Act, and may continue to hold all existing grants, resources, and facilities, in order to ensure that the education of pupils enrolled in the school is not disrupted. [EC §§ 47607(i)]

Immediately following the decision of the County Board to reverse a decision of a school district to revoke a charter, the following shall apply:

1. The charter school shall qualify as a charter school for funding and for all other purposes of the Charter Schools Act.
2. The charter school may continue to hold all existing grants, resources, and facilities.
3. Any funding, grants, resources, and facilities that had been withheld from the charter school, or that the charter school had otherwise been deprived of use, as a result of the revocation of the charter shall be immediately reinstated or returned.

A final decision of a revocation or appeal of a revocation pursuant to Education Code section 47607(c) shall be reported to the chartering authority, the county board of education, and the California Department of Education.

CLOSURE OF CHARTER SCHOOLS

Charter school petitions must include a description of the procedures to be used if the charter school closes. Minimum procedures established by the State Board of Education require an independent final audit of the charter school to determine all of the school's assets and liabilities. The procedures shall include plans for disposing of any net assets remaining after all liabilities of the charter school have been paid. Provision must be made for the transfer and maintenance of personnel records, all pupil records, all state assessment results, and any special education records to the custody of the entity responsible to conduct closure-related activities. [EC §§ 47605(b)(5)(P), 47605(b)(5)(Q); 5 CCR §§11962-2.1]

The CDE has developed a recommended process for charter school closure in the event that a charter is not renewed or is revoked (see Additional Resources).

Upon termination of the existence of a charter school operating as a nonprofit public benefit corporation, the corporation shall provide notice of termination to the IRS. [26 USC § 6033(i)(2)]

ADDITIONAL RESOURCES

1. *Brown Act, Open Meetings for Local Legislative Bodies*, California Attorney General, 2003. Available:
<http://caag.state.ca.us/publications/2003_Intro_BrownAct.pdf>
2. California Code of Regulations, including Title 5, Education. Available:
<<http://www.calregs.com/linkedslice/default.asp?SP=CCR-1000&Action=HOME/>>
3. California Department of Education:

California School Accounting Manual, 2008. Available:
<<http://www.cde.ca.gov/fg/ac/sa/>>

Charter School Average Daily Attendance: Alternative Calculation Method, July 2000. Available: <<http://www.cde.ca.gov/be/ms/po/policy00-05-jul2000.asp>>

Charter School Facility Grant Request for Application. Available:
<<http://www.cde.ca.gov/sp/cs/as/facgrntoc.asp>>

Charter School Facility Request Form Pursuant to Education Code Section 47614 and California Code of Regulations, Title 5, Sections 11969.1 through 11969.10. Available: <<http://www.cde.ca.gov/sp/cs/as/csfacform.asp>>

Charter School Number Request Form, deadlines, and application checklist. Available: <<http://www.cde.ca.gov/sp/cs/re/cssbenum.asp>>

Charter School Unaudited Actuals Financial Report—Alternative Form 2006-07. Available: <<http://www.cde.ca.gov/fg/sf/fr/csalternative.asp>>

Charter Schools Annual Information Sheet and Funding Survey for 2007-08. Available: <<http://www.cde.ca.gov/sp/cs/ac/csfnsvy0708.asp>>

Charter Schools Division for links to resources and information on funding, starting a charter school, time-sensitive issues and events, laws and regulations, and other key topics. Available: <<http://www.cde.ca.gov/sp/cs/>>

County-District-School (CDS) Codes information and application (Form TSD-01). Available: <<http://www.cde.ca.gov/ds/si/ds/>>

Facilities for Charter Schools (Proposition 39): Title 5 Regulations. Available: <<http://www.cde.ca.gov/be/ag/ag/yr08/documents/jan08item18.doc>>

Finance and Grants for links to accounting, auditing guidelines, financial reporting, fiscal oversight, and funding information. Available: <<http://www.cde.ca.gov/fg/>>

Model Charter School Application. Available: <<http://www.cde.ca.gov/sp/cs/re/documents/modelcsappnov03.doc>>

No Child Left Behind, Impact of Title I Requirements on Charter Schools, California Department of Education, 2005. Available: <<http://www.cde.ca.gov/ta/ac/ti/may31impactltr.asp>>

No Child Left Behind highly qualified teacher and paraprofessional requirements; FAQs; and *NCLB Teacher Requirement Resource Guide*, California Department of Education, 2006. Available: <<http://www.cde.ca.gov/nclb/sr/tq/>>

Nonclassroom-Based Instruction and Senate Bill 740 for regulations and funding determination forms. Available: <<http://www.cde.ca.gov/sp/cs/as/nclrbifunddet.asp>>

Principal Apportionment Attendance Software and Forms. Available: <<http://www.cde.ca.gov/fg/sf/aa/>>

Principal Apportionments for funding exhibits, block grant funding rates, and key deadlines. Available: <<http://www2.cde.ca.gov/principalapp/>>

Proposed Rulemaking & Regulations for notices of proposed actions to adopt, amend, or repeal regulations for the California Department of Education, State Superintendent of Public Instruction, and the California State Board of Education. Available: <<http://www.cde.ca.gov/re/lr/rr>>

Recommended Process for Charter School Closure. Available: <<http://www.cde.ca.gov/sp/cs/lr/csclosurerules.asp>>

Work Permits: Frequently Asked Questions. Available: <<http://www.cde.ca.gov/ci/ct/we/wpfaq.asp>>

4. California Fair Political Practices Commission. Conflicts of Interest, Form 700, Statement of Economic Interests. Available: <<http://www.fppc.ca.gov/?id=6>>
5. California School Boards Association for information on Proposition 39, ordering information for *Charter Schools: Manual for Governance Teams*, and sample board policy and administrative regulation. Available: <<http://www.csba.org/EducationIssues/EducationIssues/CharterSchools.aspx>>
6. California School Finance Authority:

California's School Finance System: Charter Schools. Available: <<http://www.californiaschoolfinance.org/FinanceSystem/CharterSchools/tabid/116/Default.aspx?>>>

State Charter School Facilities Incentive Grants Program. Available: <<http://www.treasurer.ca.gov/csfa/>>
7. EdSource Online for California charter school policy news and data. Available: <http://www.edsource.org/edu_chart.cfm>
8. Internal Revenue Service

Annual Electronic Filing Requirement for Small Exempt Organizations, Form 990-N (e-Postcard). Available: <<http://www.irs.gov/charities/article/0,,id=169250,00.html>>

Application for Recognition of Exemption under Section 501(c)(3) of the Internal Revenue Code. Available: <<http://www.irs.gov/charities/article/0,,id=96109,00.html>>
9. Office of Public School Construction:

Charter School Facilities Program for application requirements and links to forms. Available: <<http://www.opsc.dgs.ca.gov/Programs/SFPPrograms/CSF.htm>>

Clean restroom legislation and link to Form SAB 892, Restroom Maintenance Complaint. Available: <http://www.opsc.dgs.ca.gov/Programs/SABPrograms/DMP_CR.htm>

School Facility Program Handbook, Office of Public School Construction, May 2008. Available: <http://www.documents.dgs.ca.gov/opsc/Publications/Handbooks/SFP_Hdbk.pdf>

10. San Diego County Office of Education:

Charter School Financial Services for Charter School Financial Planning Matrix, with links to funding sources; San Diego charter schools; and related resources. Available: <http://www.sdcoe.net/business/dist_fin/cs/>

Financial Accounting Unit for fund resolution samples. Available: <<http://www.sdcoe.net/business2/dfs/?loc=fa-resolutions&m=4&pi=fa>>

11. *Standards and Procedures for Audits of California K-12 Local Educational Agencies, 2008-09*, Education Audit Appeals Panel, May 19, 2008. Available: <<http://www.eaap.ca.gov/NewWebSite0804/AuditGuide.htm>>

LIST OF EXHIBITS

Exhibit 1	Compliance-based Components of a Charter School Petition, San Diego County Office of Education (SDCOE)
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Exhibit 2B	Required Elements of a Countywide Charter School Petition, SDCOE
Exhibit 3A	Resolution to Establish Charter Schools Fund, Sample, SDCOE
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Compliance-based Components of a Charter School Petition

1. **Pupil testing** [EC §§ 47605(c)(1), 47612.5(a)(3)]
The charter school shall meet all statewide standards and conduct pupil assessments pursuant to Education Code §§ 60605 and 60851 and any other mandated statewide standards authorized in statute or pupil assessment applicable to pupils in noncharter public schools. The charter school shall certify that its pupils have participated in the state testing programs specified in Education Code § 60600 et seq., as a condition of apportionment of state funding.
2. **Periodic parent and teacher consultation** [EC § 47605(c)(2)]
The charter school shall consult regularly with its parents and teachers regarding the school's educational program.
3. **Nonsectarian, tuition-free, anti-discrimination affirmation** [EC §§ 220, 47605(d)(1)]
The charter school shall be nonsectarian in its programs, admission policies, employment practices, and all other operations; shall not charge tuition; and shall not discriminate against any pupil on the basis of the characteristics listed in Education Code section 220.
4. **Minimum instructional minutes** [EC § 47612.5(a)]
The charter school shall offer at least the minimum amount of instructional time at grade levels specified in Education Code section 46201 and shall maintain contemporaneous written records of all pupil attendance that shall be made available for audit and inspection in accordance with law.
5. **Minimum age requirement for public school admission** [EC § 47610(c)]
The charter school shall comply with all laws establishing minimum age requirements for public school attendance.
6. **Admission boundaries eliminated** [EC § 47605(d)(2)]
Admission to a charter school shall not be determined according to the student's place of residence, or that of his/her parent/guardian, within California except that any existing public school converting partially or entirely to a charter school shall adopt and maintain a policy giving admission preference to students who reside with the school's former attendance area except as provided for in Education Code section 47614.5.
7. **Admit all pupils** [EC § 47605(d)(2)]
The charter school shall admit all pupils who wish to attend the charter school except when the number of pupils who wish to attend exceeds the school's capacity.

8. District notification [EC § 47605(d)(3)]

If a pupil is expelled or leaves the charter school without graduating or completing the school year for any reason, the charter school shall notify the superintendent of the school district of the pupil's last known address within 30 days, and shall, upon request, provide that school district with a copy of the cumulative record of the pupil, including a transcript of grades or report card, and health information. This paragraph applies only to pupils subject to compulsory full-time education pursuant to Section 48200.

9. Independent study [EC § 47612.5(b)]

A charter school that provides independent study shall comply with the same statutory requirements as do other public schools. A charter school shall comply with law and implementing regulations for nonclassroom-based instruction [EC § 51745 et seq. and Title 5, California Code of Regulations section 11963 et seq.] Only pupils who are residents of San Diego, Imperial, Orange, or Riverside Counties shall be eligible to participate in a charter school independent study program sponsored by a district in San Diego County. [EC § 51747.3(b)]

A charter school shall not claim state funding for the independent study of a pupil if the school has provided any funds or other things of value to the pupil or his or her parent or guardian that the school does not provide to pupils who attend regular classes or to their parents or guardians. A charter school shall not claim state funding for the independent study of a pupil if the school has provided any funds or other things of value to the pupil or his or her parent or guardian that the chartering authority could not legally provide to a similarly situated pupil in a school within the jurisdiction of the chartering authority. [EC § 51747.3(a)]

10. Information of proposed operation and facilities of the school [EC § 47605(g)]

The petitioner(s) shall provide information regarding the proposed operation and potential effects of the school, including, but not limited to, the facilities to be utilized by the school and its proposed location, the manner in which administrative services of the school are to be provided, and potential civil liability effects, if any, upon the school and the County Office of Education.

11. Financial statements, projections, and proposed budget [EC § 47605(g)]

The petitioner(s) shall provide financial statements that include the proposed first-year operational budget, including start-up costs, cash flow and financial projections for the first three years of operation.

12. Charter school teachers' certification [EC § 47605(l)]

Teachers in the charter school shall be required to hold a Commission on Teacher Credentialing certificate, permit, or other document equivalent to that which a teacher in other public schools would be required to hold. These documents shall be maintained on file at the charter school and shall be subject to periodic inspection by the chartering authority.

13. Annual budget and financial reports [EC § 47604.33]

The following annual budget and financial reports shall be submitted to the chartering authority and the county superintendent of schools or only the county superintendent of schools if the county board of education is the chartering authority:

1. Preliminary annual budget on or before July 1st.
2. First interim financial report on or before December 15th. This report shall reflect changes through October 31st.
3. Second interim financial report on or before March 15th. This report shall reflect changes through January 31st.
4. Final Unaudited report for the full prior year on or before September 15th.

14. Annual independent audit submission [EC § 47605(m)]

Unless the annual audit of a charter school is encompassed in the audit of the chartering entity, the charter school shall transmit a copy of its annual independent financial audit to the chartering authority, all county superintendent of schools and county offices of education in which they operate sites, the State Controller, and the California Department of Education by December 15th.

Required Components of a Charter School Petition

A charter school petition must contain reasonably comprehensive descriptions of all the elements found in Education Code section 47605(b)(5).

(A) Educational program

- (i) A description of the educational program of the school, designed, among other things, to identify those whom the school is attempting to educate, what it means to be an "educated person" in the 21st century, and how learning best occurs. The goals identified in that program shall include the objective of enabling pupils to become self-motivated, competent, and lifelong learners.
- (ii) Proposed charter schools serving high school pupils must describe how the school will inform parents about the transferability of courses to other public high schools and the eligibility of courses to meet college entrance requirements.

(B) Pupil outcomes

The measurable pupil outcomes identified for use by the charter school. "Pupil outcomes," for purposes of this part, means the extent to which all pupils of the school demonstrate that they have attained the skills, knowledge, and attitudes specified as goals in the school's educational program.

(C) Method to measure meeting pupil outcomes

The method by which pupil progress in meeting those pupil outcomes is to be measured.

(D) Governance structure

The governance structure of the school, including, but not limited to, the process to be followed by the school to ensure parental involvement.

(E) Employees' qualifications

The qualifications to be met by individuals to be employed by the school.

(F) Health and safety procedures

The procedures that the school will follow to ensure the health and safety of pupils and staff. These procedures shall include the requirement that each employee of the school furnish the school with a criminal record summary as described in Education Code section 44237.

(G) Racial and ethnic balance

The means by which the school will achieve a racial and ethnic balance among its pupils that is reflective of the general population residing within the territorial jurisdiction of the school district to which the charter petition is submitted.

(H) Admission requirements

Admission requirements, if applicable.

(I) Annual independent financial audits

The manner in which annual, independent, financial audits shall be conducted, which shall employ generally accepted accounting principles, and the manner in which audit exceptions and deficiencies shall be resolved to the satisfaction of the chartering authority. The charter shall state what specific financial standards the charter school will use. To enable the chartering authority to discharge its fiscal oversight responsibilities, the charter petition shall state what kind of information, in addition to the required annual audit and annual financial reports, will be provided to the chartering authority and at what intervals it will be provided. The charter shall state what insurance or budgeted reserves will be maintained to cover its own potential liabilities. The charter shall state what procedure would be used to resolve disputes regarding a proposed decision to revoke the charter based on fiscal management.

(J) Student suspension and expulsion procedures

The procedures by which pupils can be suspended or expelled.

(K) STRS, PERS, or Social Security coverage for employees

The manner by which staff members of the charter schools will be covered by the State Teachers' Retirement System, the Public Employees' Retirement System, or federal social security, and applicants will be notified of retirement system options under Education Code section 47611.

(L) Attendance alternatives

The public school attendance alternatives for pupils residing within the school district who choose not to attend charter schools.

(M) Rights of employees leaving or returning to district

A description of the rights of any employee of the school district upon leaving the employment of the school district to work in a charter school, and of any rights of return to the school district after employment at a charter school.

(N) Dispute resolution

The procedures to be followed by the charter school and the entity granting the charter to resolve disputes relating to provisions of the charter.

(O) Exclusive public employer declaration

A declaration whether or not the charter school shall be deemed the exclusive public school employer of the employees of the charter school for the purposes of the Educational Employment Relations Act (Chapter 10.7, commencing with Section 3540, of Division 4 of Title 1 of the Government Code).

(P) School closure procedures

A description of the procedures to be used if the charter school closes. The procedures shall ensure a final audit of the school to determine the disposition of all assets and liabilities for the charter school, including plans for disposing of any net assets and for the maintenance and transfer of pupil records.

Required Components of a Countywide Charter School Petition

A charter school petition must contain reasonably comprehensive descriptions of all the elements found in Education Code section 47605.6(b)(5).

(A) Educational program

- (i) A description of the educational program of the school, designed, among other things, to identify those whom the school is attempting to educate, what it means to be an "educated person" in the 21st century, and how learning best occurs. The goals identified in that program shall include the objective of enabling pupils to become self-motivated, competent, and lifelong learners.
- (ii) Proposed charter schools serving high school pupils must describe how the school will inform parents about the transferability of courses to other public high schools and the eligibility of courses to meet college entrance requirements.
- (iii) A description of how the educational services to be provided by the charter school will offer services to a pupil population that will benefit from those services and that cannot be served as well by a charter school that operates in only one school district in the county. [EC § 47605.6(a)(1)]

(B) Pupil outcomes

The measurable pupil outcomes identified for use by the charter school. "Pupil outcomes," for purposes of this part, means the extent to which all pupils of the school demonstrate that they have attained the skills, knowledge, and attitudes specified as goals in the school's educational program.

(C) Method to measure meeting pupil outcomes

The method by which pupil progress in meeting those pupil outcomes is to be measured.

(D) Site Locations

The location of each charter school facility that the petitioner proposes to operate.

(E) Governance structure

The governance structure of the school, including, but not limited to, the process to be followed by the school to ensure parental involvement.

(F) Employees' qualifications

The qualifications to be met by individuals to be employed by the school.

(G) Health and safety procedures

The procedures that the school will follow to ensure the health and safety of pupils and staff. These procedures shall include the requirement that each employee of the school furnish the school with a criminal record summary as described in Education Code section 44237.

(H) Racial and ethnic balance

The means by which the school will achieve a racial and ethnic balance among its pupils that is reflective of the general population residing within the territorial jurisdiction of the school district to which the charter petition is submitted.

(I) Annual independent financial audits

The manner in which annual, independent, financial audits shall be conducted, which shall employ generally accepted accounting principles, and the manner in which audit exceptions and deficiencies shall be resolved to the satisfaction of the chartering authority. The charter shall state what specific financial standards the charter school will use. To enable the chartering authority to discharge its fiscal oversight responsibilities, the charter petition shall state what kind of information, in addition to the required annual audit and annual financial reports, will be provided to the chartering authority and at what intervals it will be provided. The charter shall state what insurance or budgeted reserves will be maintained to cover its own potential liabilities. The charter shall state what procedure would be used to resolve disputes regarding a proposed decision to revoke the charter based on fiscal management.

(J) Student suspension and expulsion procedures

The procedures by which pupils can be suspended or expelled.

(K) STRS, PERS, or Social Security coverage for employees

The manner by which staff members of the charter schools will be covered by the State Teachers' Retirement System, the Public Employees' Retirement System, or federal social security, and applicants will be notified of retirement system options under Education Code section 47611.

(L) Dispute resolution

The procedures to be followed by the charter school and the entity granting the charter to resolve disputes relating to provisions of the charter.

(M) Exclusive public employer declaration

A declaration whether or not the charter school shall be deemed the exclusive public school employer of the employees of the charter school for the purposes of the Educational Employment Relations Act (Chapter 10.7, commencing with Section 3540, of Division 4 of Title 1 of the Government Code).

(N) Admission requirements

Admission requirements, if applicable.

(O) Public school attendance alternatives

The public school attendance alternatives for pupils residing within the county who choose not to attend the charter school.

(P) Rights of employees leaving or returning to the county

A description of the rights of any employee of the county office of education, upon leaving the employment of the county office of education to work in a charter school, and of any rights of return to the county office of education after employment at a charter school.

(Q) School Closure Procedures

A description of the procedures to be used if the charter school closes. The procedures shall ensure a final audit of the school to determine the disposition of all assets and liabilities for the charter school, including plans for disposing of any net assets and for the maintenance and transfer of pupil records.

RESOLUTION

_____ School District
Resolution Number _____

Resolution to Establish a Charter School Enterprise Fund (62-00)

On motion of Member _____, seconded by Member _____, the following resolution is adopted:

WHEREAS, the _____ School District is the chartering agency for the _____ Charter School that operates as an IRC 501(c)(3) nonprofit public benefit corporation, formed and organized pursuant to the Nonprofit Public Benefit Corporation Law (Corporations Code section 5110 et seq.); and

WHEREAS, charter schools are required to prepare financial reports by Education Code sections 42100(b) and 47604.33 in accordance with the *California School Accounting Manual* (CSAM) and generally Accepted Accounting Principles (GAAP); and

WHEREAS, the _____ Charter School is financed and operated in a manner that is similar to that employed by private business enterprises; and

WHEREAS, the CSAM authorizes the establishment of *Fund 62, Charter School Enterprise Fund*, to account on a full-accrual basis for all revenues and expenses of a charter school;

THEREFORE, BE IT RESOLVED that the Governing Board hereby authorizes the establishment of a restricted fund to be known as the Charter School Enterprise Fund in accordance with Education Code section 42100 for the _____ Charter School.

PASSED AND ADOPTED this ____ day of _____, 20____, by the Governing Board of the _____ School District of San Diego County, California, by the following vote:

AYES: Members

NOES: Members

ABSENT: Members

STATE OF CALIFORNIA)
) SS
COUNTY OF SAN DIEGO)

I, _____, Clerk/Secretary of the Governing Board, do hereby certify that the foregoing is a full, true, and correct copy of the original entered in the minutes of the Governing Board of the _____ School District.

Clerk/Secretary of the Governing Board

Principal Apportionment Attendance Software

The California Department of Education (CDE) implemented attendance data collection software at the 2002-03 first interim-reporting period (P-1). Paper reports are no longer accepted by the CDE.

The implementation of this software significantly changes the process that charter schools and school districts use to report average daily attendance (ADA) and other related data used to calculate principal apportionments. Once the data is certified by the software, charter schools must export their ADA and Disadvantaged Pupil Count data files to their districts via email or diskette. The data files must be reviewed and certified by the district. Charter schools should contact their chartering agencies to establish a timeline and to determine the best method for submitting attendance data and certification pages.

The following charter school forms have been replaced by the new software:

Charter School Average Daily Attendance Forms (ADA):

J18/19CH	(Revenue Limit Funded)
J18/19CH/BG	(Elementary or High School District Sponsored)
J18/19CH/BG/U	(Unified School District Sponsored)

Charter School Disadvantage Pupil Count (Economic Impact Aid):

J18/19CH/E	(All Charter Schools Excluding Revenue Limit Schools)
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The software will generate a certification form and number. This form must be signed by a charter school official and the chartering agency's superintendent and then forwarded to the appropriate county office of education for review and signature. Any subsequent revisions to a report will generate a new certification form and number.

Attendance data files are submitted to county offices of education for each reporting period. The certification form is kept on file at the county office of education.

Principal Apportionment Attendance Software is available for download at the CDE's School Fiscal Services Division's (SFSD) Software Website at <www.cde.ca.gov/fg/sf/aa>. It is important to read all instructions before downloading the software.

Ref.: San Diego County Office of Education Bulletin, December 2, 2002:
2002-03 First Period Reports of Attendance, School District Attendance
Data Collection Software

**Average Daily Attendance Alternative Calculation Method
for Multitrack Charter Schools**

A school district operating a multitrack calendar calculates average daily attendance (ADA) by dividing student attendance for each track by the number of school days taught for that track. However, a charter school operating a multitrack calendar must calculate ADA by dividing total student attendance by the total number of school days taught at the charter school, unless it has been granted a waiver that allows the charter school to calculate the ADA in the same manner as a school district.

Below is a simplified illustration of how a district and a charter school would calculate ADA for one track of a multitrack calendar. For the purposes of this illustration, assume 20 school days in each month and perfect attendance for 100 students in each track.

July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	March	April
A	A	A	A		A	A	A	A	
	B	B	B	B		B	B	B	B
C		C	C	C	C		C	C	C
D	D		D	D	D	D		D	D

A school district would calculate the ADA at P-2 for Track A by:

Dividing the attendance of 16,000 (8 months x 20 days x 100 pupils) by 160 (8 months x 20 days) to yield an ADA of 100.

A charter school would calculate the ADA at P-2 for Track A by:

Dividing the attendance of 16,000 (8 months x 20 days x 100 pupils) by 200 (10 months x 20 days) to yield an ADA of 80.

In this example, the charter school is dividing the total attendance by 200 since other tracks are operating during the months of November and April (tracks B, C, and D).

In order for charter schools operating multitrack calendars to calculate the ADA in the same manner as a school district, a waiver of Title 5, California Code of regulations section 11960 must be obtained from the California Department of Education (CDE) [Education Code 33050]. Charter schools should contact the Charter Schools Division at (916) 322-6029 and the Waiver Office at (916) 319-0824 to obtain assistance regarding the waiver process. The waiver request should include the following information:

1. Identification of the charter school.
2. A copy of the charter school's calendar for the year(s) for which the waiver is requested.
3. The number of tracks that the school operates.
4. The total number of days school is taught in the charter school.
5. The total number of days school is taught in each track.
6. The reason the school is operation a multitrack calendar.

The waiver request must also provide assurances that the charter school will meet the following terms and conditions of approval of the waiver:

1. If the charter school is a start-up school, it will operate not more than five tracks; if it is a conversion school, it will operate no more than the number of tracks it operated prior to conversion.
2. If the charter school is a start-up school, each track will operate a minimum of 175 days; if it is a conversion school, the school may continue its previous schedule as long as it provides no less than 163 days of instruction in each track.
3. For each track, the charter school will provide the total number of instructional minutes contained in Education code section 46201.5(a)(2).
4. No track will have fewer than 55 percent of its school days prior to April 15.
5. ADA will be calculated separately for each track by the method set forth in title 5, California Code of Regulations section 11960, and then the resulting figures will be totaled.

Ref.: San Diego County Office of Education Bulletin, August 15, 2002:
Charter Schools Operating Multiple Track Calendars

**Charter School State Aid
In-Lieu of Property Tax and Categorical Block Grant Apportionment Schedules**

General Purpose Block Grant Apportionment Schedule

		Advance Apportionment							
		July	August	September	October	November	December	January	February
State Aid		6%	12%	8%	8%	8%	8%	8%	
In-Lieu of Property Tax			6%	12%	8%	8%	8%	8%	8%

		P1 Apportionment				
		February	March	April	May	June
State Aid		1/3	1/6	1/6	1/6	
In-Lieu of Property Tax			1/3	1/6	1/6	1/6

*1/3 in February Apportionment = (P1 total - (total received from July to January))/3

*1/6 in March through May = (P1 total - (total received from July to January))/6

		P2 Apportionment	
		June	July
State Aid		Deferred	Balance
In-Lieu of Property Tax			Balance

*The Categorical Block Grant Apportionment uses similar schedule as the State Aid Apportionment. Categorical funding could be delayed due to late adoption of the State Budget for 2008-09. For 2008-09 only, the normal State Aid payment for July will be deferred until September.

Apportionment Example

		Advance Apportionment							
		July	August	September	October	November	December	January	February
State Aid		12,000	24,000	16,000	16,000	16,000	16,000	16,000	
In-Lieu of Property Tax			9,000	18,000	12,000	12,000	12,000	12,000	12,000

Advance State Aid total =	\$ 200,000
Advance In-Lieu of Prop. tax =	\$ 150,000

		P1 Apportionment				
		February	March	April	May	June
State Aid		44,667	22,333	22,333	22,333	
In-Lieu of Property Tax			31,000	15,500	15,500	15,500

P1 State Aid total =	\$ 250,000
P1 In-Lieu of Prop. Tax =	\$ 180,000

		P2 Apportionment	
		June	July
State Aid			\$ 32,333
In-Lieu of Property Tax			\$ 25,500

P2 State Aid total =	\$ 260,000
P2 In-Lieu of Prop. Tax =	\$ 190,000

**Charter School State Aid
In-Lieu of Property Tax and Categorical Block Grant Apportionment Schedules**

**General Purpose Block Grant Apportionment Schedule for Newly Operational Charter School
or for Growing Charter School Adding Grade Level(s)**

		Special Advance from Annual Information Sheet and Funding Survey and 20-Day Actual Report							
		July	August	September	October	November	December	January	February
State Aid		0%	0%	42%	0%	0%	16%	0%	
In-Lieu of Property Tax			6%	12%	8%	8%	8%	8%	8%

		P1 Apportionment				
		February	March	April	May	June
State Aid		1/3	1/6	1/6	1/6	
In-Lieu of Property Tax			1/3	1/6	1/6	1/6

*1/3 in February Apportionment = (P1 total - (total received from July to January))/3
 *1/6 in March through May = (P1 total - (total received from July to January))/6

		P2 Apportionment	
		June	July
State Aid		Deferred	Balance
In-Lieu of Property Tax			Balance

*The Categorical Block Grant Apportionment uses similar schedule as the State Aid Apportionment. Categorical funding could be delayed due to late adoption of the State Budget in 2008-09.

Apportionment Example for Newly Operational Charter School

		Advance Apportionment							
		July	August	September	October	November	December	January	February
State Aid		-	-	84,000	-	-	32,000	-	
In-Lieu of Property Tax			9,000	18,000	12,000	12,000	12,000	12,000	12,000

Advance State Aid total =	\$ 200,000
Advance In-Lieu of Prop. tax =	\$ 150,000

		P1 Apportionment				
		February	March	April	May	June
State Aid		44,667	22,333	22,333	22,333	
In-Lieu of Property Tax			31,000	15,500	15,500	15,500

P1 State Aid total =	\$ 250,000
P1 In-Lieu of Prop. Tax =	\$ 180,000

		P2 Apportionment	
		June	July
State Aid			\$ 32,333
In-Lieu of Property Tax			\$ 25,500

P2 State Aid total =	\$ 260,000
P2 In-Lieu of Prop. Tax =	\$ 190,000



Charter School Block Grant Funding EHS

County: San Diego

Period: 2006-07 P-1

District:

CDS Code:

LEA:

General Purpose Entitlement

Kindergarten and Grades 1-3 Charter ADA	A-1	<u>446.63</u>	0247
General Purpose per ADA for Grades K-3	A-2	\$ <u>5,348.00</u>	0248
Total Grades K-3 Funding (A-1 * A-2)	A-3	\$ <u>2,388,577.24</u>	0249
Grades 4-6 Charter ADA	A-4	<u>361.03</u>	0250
General Purpose Funding per ADA for Grades 4-6	A-5	\$ <u>5,428.00</u>	0251
Total Grades 4-6 Funding (A-4 * A-5)	A-6	\$ <u>1,959,670.84</u>	0252
Grades 7-8 ADA	A-7	<u>0.00</u>	0253
General Purpose Funding per ADA for Grades 7-8	A-8	\$ <u>5,583.00</u>	0254
Total Grades 7-8 Funding (A-7 * A-8)	A-9	\$ <u>0.00</u>	0255
Grades 9-12 Charter ADA	A-10	<u>0.00</u>	0256
General Purpose Funding per ADA for Grades 9-12	A-11	\$ <u>6,473.00</u>	0257
Total Grades 9-12 Funding (A-10 * A-11)	A-12	\$ <u>0.00</u>	0258
Total General Purpose Entitlement Funding (A-3 + A-6 + A-9 + A-12)	A-13	\$ <u>4,348,248.00</u>	0259
Local Revenue (In-Lieu of Property Taxes)			
Taxes Per ADA	B-1	\$ <u>2,636.06</u>	0260
Total Charter ADA	B-2	\$ <u>807.66</u>	0261

Total In-Lieu of Property Taxes (If A-13 > (B-1 * B-2), (B-1 * B-2); else A-13)	B-3	\$	<u>2,129,040.00</u>	0263
Total In Lieu of Property Taxes Adjustment for Charter Operating less than 175 days	B-4	\$	<u>0</u>	0264
Adjusted Total In Lieu of Property Taxes (B-3 - B-4)	B-5	\$	<u>2,129,040</u>	0514
Total State Aid Portion of General Purpose Entitlement (A-13 - B-3)	C-1	\$	<u>2,219,208.00</u>	0263
Total State Aid for Charter Operating less than 175 days	C-2	\$	<u>0.00</u>	0264
Total Adjusted State Aid (C-1 - C-2)	C-3	\$	<u>2,219,208.00</u>	0265



Charter School Block Grant Funding Unified

County: San Diego

Period: 2006-07 P-1

District:

CDS Code:

LEA:

General Purpose Funding per ADA for Grades K - 3	A-1	\$	<u>5,348.00</u>	0218
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General Purpose Funding per ADA for Grades 4 - 6	A-2	\$	<u>5,428.00</u>	0219
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General Purpose Funding per ADA for Grades 7 - 8	A-3	\$	<u>5,583.00</u>	0220
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General Purpose Funding per ADA for Grades 9 - 12	A-4	\$	<u>6,473.00</u>	0221
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General Purpose Entitlement for Resident Pupils

Grades Kindergarten and 1 - 3 Charter ADA	B-1		<u>0.00</u>	0222
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Grades K - 3 Funding (A-1 * B-1)	B-2	\$	<u>0.00</u>	0223
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Grades 4 - 6 Charter ADA	B-3		<u>42.94</u>	0224
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Grades 4 - 6 Funding (A-2 * B-3)	B-4	\$	<u>233,078.32</u>	0225
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Grades 7 - 8 Charter ADA	B-5		<u>527.28</u>	0226
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Grades 7 - 8 Funding (A-3 * B-5)	B-6	\$	<u>2,943,804.24</u>	0227
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Grades 9 - 12 Charter ADA	B-7		<u>180.66</u>	0228
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Grades 9 - 12 Funding (A-4 * B-7)	B-8	\$	<u>1,169,412.18</u>	0229
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Total Block Grant For Resident Pupils (B-2 + B-4 + B-6 + B-8)	B-9	\$	<u>4,346,295.00</u>	0230
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General Purpose Entitlement for Non-Resident Pupils

Grades Kindergarten and 1 - 3 Charter ADA	C-1		<u>0.00</u>	0231
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Grades K - 3 Funding (A-1 * B-1)	C-2	\$	<u>0.00</u>	0232
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Grades 4 - 6 Charter ADA	C-3	<u>0.00</u>	0233
Grades 4 - 6 Funding (A-2 * B-3)	C-4 \$	<u>0.00</u>	0234
Grades 7 - 8 Charter ADA	C-5	<u>3.60</u>	0235
Grades 7 - 8 Funding (A-3 * B-5)	C-6 \$	<u>20,098.80</u>	0236
Grades 9 - 12 Charter ADA	C-7	<u>1.79</u>	0237
Grades 9 - 12 Funding (A-4 * B-7)	C-8 \$	<u>11,586.67</u>	0238
Total Block Grant For Non-Resident Pupils (B-2 + B-4 + B-6 + B-8)	C-9 \$	<u>31,685.00</u>	0239
Total General Purpose Entitlement (B-9 + C-9)	D-1 \$	<u>4,377,980.00</u>	0240
Local Revenue			
Taxes Per ADA	E-1 \$	<u>3,783.48</u>	0241
Total Charter ADA	E-2	<u>756.27</u>	0242
Total In-Lieu of Property Taxes (If D-1 > (E-1 * E-2), (E-1 * E-2); else D-1)	E-3 \$	<u>2,861,332.00</u>	0243
Total In Lieu of Property Taxes Adjustment for Charter Operating less than 175 Days	E-4 \$	<u>0</u>	0515
Adjusted Total In Lieu of Property Taxes (E-3 - E-4)	E-5 \$	<u>2,861,332</u>	0516
Total State Aid Portion of General Purpose Entitlement (D-1 - E-3)	F-1 \$	<u>1,516,648.00</u>	0244
Total State Aid for Charter Operating less than 175 days	F-2 \$	<u>0.00</u>	0245
Total Adjusted State Aid (F-1 - F-2)	F-3 \$	<u>1,516,648.00</u>	0246



Charter School Block Grant Funding Unified

County: San Diego

Period: 2006-07 P-1

District:

CDS Code:

LEA:

Categorical per ADA Block Grant Funding

Grades K-12 Charter ADA	A-1	_____ 467.83
Categorical Block Grant Funding per ADA for Grades K-12	A-2 \$	_____ 400.00
Total Categorical per ADA Block Grant Funding (A-1 * A-2)	A-3 \$	_____ 187,132

Economic Impact Aid Block Grant (Continuing Charters)

Economically disadvantage pupils - CY	B-1	_____ 412
English learners - PY (Pending Legislation)	B-2	_____ 286
Pupil enrollment - PY	B-3	_____ 504
PY pupil enrollment CBEDS (B-3 / 2); (If B-3 = 0 B-4 =0)	B-4	_____ 252
Weighted pupil concentration calculation ((B-1 + B-2) - B-4) ; (If B-3 = 0 B-5 =0)	B-5	_____ 446
Weighted pupil concentration factor (If B-5 > 0, B-5 * 0.5; else 0)	B-6	_____ 223
Total Disadvantaged Pupils (B-1 + B-2 + B-6)	B-7	_____ 921
Amount per disadvantaged pupils	B-8 \$	_____ 303
Funding for disadvantaged pupils (B-7 * B-8)	B-9 \$	_____ 279,063
Minimum Block Grant for disadvantaged Pupils (Pending Legislation)	B-10 \$	_____ 8,300
Total Economic Impact Aid Block Grant (If B-9>B-10, B-11=B-9; else B-11=B-10)	B-11 \$	_____ 279,063

Economic Impact Aid Block Grant (Newly Operational Charters)

Economically disadvantage pupils - CY	C-1	<u>0</u>	
English learners - CY	C-2	<u>0</u>	
Pupil enrollment - CY	C-3	<u>0</u>	
CY pupil enrollment CBEDS (C-3 / 2); (If C-3 = 0, C-4 =0); (If C-3 = 0, C-5 =0)	C-4	<u>0</u>	
Weighted pupil concentration calculation ((C-1 + C-2) - C-4)	C-5	<u>0</u>	
Weighted pupil concentration factor (If C-5 > 0, C-5 * 0.5; else 0)	C-6	<u>0</u>	
Total Disadvantaged Pupils (C-1 + C-2 + C-6)	C-7	<u>0</u>	
Amount per disadvantaged pupils	C-8	\$ <u>0</u>	
Funding for disadvantaged pupils (C-7 * C-8)	C-9	\$ <u>0</u>	
Minimum Block Grant for disadvantaged Pupils (Pending Legislation)	C-10	\$ <u>0</u>	
Total Economic Impact Aid block Grant (If C-9 > C-10, C-11 = C-9; else C-11 = C-10)	C-11	\$ <u>0</u>	
Total Categorical Block Grant (A-3 + B-11 + C-11)	C-12	\$ <u>466,195</u>	5021
Total State Aid for Charter Operating less than 175 days	D-1	\$ <u>0</u>	5022
Total Categorical Block Grant (C-12 - D-1)	D-2	\$ <u>466,195</u>	5023
State Proration Factor	D-3	<u>0.8208685559</u>	5024
Adjusted Total Categorical Block Grant (D-2 * D-3)	D-4	\$ <u>382,685</u>	5025