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THIRD READING

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Bill No: AB 84  
Author: Muratsuchi (D) and Garcia (D), et al.  
Amended: 8/29/25 in Senate  
Vote: 21

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SENATE EDUCATION COMMITTEE: 4-2, 7/16/25  
AYES: Pérez, Cortese, Gonzalez, Laird  
NOES: Ochoa Bogh, Choi  
NO VOTE RECORDED: Cabaldon

SENATE APPROPRIATIONS COMMITTEE: 4-2, 8/29/25  
AYES: Caballero, Grayson, Richardson, Wahab  
NOES: Seyarto, Dahle  
NO VOTE RECORDED: Cabaldon

ASSEMBLY FLOOR: 43-25, 6/5/25 - See last page for vote

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**SUBJECT:** School accountability: Office of the Education Inspector General:  
school financial and performance audits: charter school  
authorization, oversight, funding, operations, networks, and  
contracting: data systems: local educational agency contractor  
background checks

**SOURCE:** California School Employees Association

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**DIGEST:** This bill makes a series of changes to the oversight and operation of nonclassroom-based (NCB) charter schools. This bill (1) increases audit requirements and authorizer responsibilities; (2) revises the funding determination process to include additional financial reporting and a review of charter networks; (3) imposes restrictions on certain contracting practices and the use of academic enrichment funds; and (4) places new limits on the ability of small school districts to authorize NCB charter schools that serve student populations larger than their own.

**ANALYSIS:**

Existing law:

- 1) Requires charter schools to submit annual independent financial and compliance audits conducted by certified public accountants.
- 2) Requires that audit reports be submitted to the chartering authority, the county superintendent, the State Controller's Office (SCO), and the California Department of Education (CDE).
- 3) Requires financial and compliance audits to follow General Accounting Office standards and the audit guide developed by the Education Audits Appeal Panel (EAAP), once adopted.
- 4) Does not require charter schools to use the Standardized Account Code Structure (SACS), unlike school districts.
- 5) Authorizes the SCO to conduct quality control reviews of audits, but does not require regular selection of charter school audits for review.
- 6) Requires charter schools that offer less than 80% of instructional time on school sites to obtain a funding determination from the State Board of Education (SBE) in order to receive apportionment funding.
- 7) Authorizes the SBE to fund NCB instruction at up to 70% of standard funding unless a higher rate is justified.
- 8) Requires the SBE to consider factors such as the charter school's spending on certificated salaries and benefits, expenditures on schoolsites, and teacher-to-pupil ratios when making a funding determination.
- 9) Does not require charter schools that are part of a network to apply jointly for a funding determination, nor does it require them to submit updated financial documentation between determination years.
- 10) Grants charter schools greater flexibility than school districts in contracting and generally exempts them from the Public Contract Code.
- 11) Permits charter school contracts to be structured as a percentage of school revenue and does not prohibit contracts with private or religious organizations.

- 12) Allows charter schools to provide funds or credits to families for educational enrichment activities, even if those activities are not provided by credentialed staff.
- 13) Imposes no statutory restriction on charter school employee compensation based on student attendance or course completion.
- 14) Requires charter authorizers to provide general oversight, including annual site visits, fiscal monitoring, and compliance with required reporting, such as the Local Control and Accountability Plan.
- 15) Authorizes authorizers to charge up to 1% of a charter school's revenue for oversight, or up to 3% if the authorizer provides substantially rent-free facilities.
- 16) Previously supported a Charter School Authorizer Technical Assistance Team at Fiscal Crisis and Management Assistance Team (FCMAT), but that team was defunded in 2020 and no longer operates.
- 17) Results in wide variation in the quality and depth of authorizer oversight, particularly among small school districts with limited capacity.
- 18) Requires California Longitudinal Pupil Achievement Data System (CALPADS) to collect student demographic and achievement data, but this system is not integrated with the state's attendance-based funding system.
- 19) Requires charter schools to report attendance data separately to CDE, which can allow for duplicative or inflated attendance reporting.
- 20) Permits any school district, regardless of size or capacity, to authorize charter schools, including NCB charter schools.
- 21) Does not impose a statutory cap on the number of charter school pupils a district may authorize in proportion to its own average daily attendance (ADA).
- 22) Does not authorize or require the reassignment of charter schools to larger or more capable authorizers upon renewal.
- 23) Authorizes local educational agencies (LEAs), including charter schools, to offer IS and CBIS programs under specific requirements related to credentialed supervision, content rigor, and written learning agreements.

- 24) Prohibits pupils with an Individualized Education Plan (IEP) from participating in IS unless their IEP explicitly allows it.
- 25) Imposes a funding penalty for CBIS if more than 10% of an LEA's total ADA is generated through CBIS, unless the LEA qualifies for an exemption.
- 26) Imposes a moratorium on the authorization of new NCB charter schools until January 1, 2026.
- 27) Allows existing NCB charter schools to seek renewals or material revisions during the moratorium, under specified conditions.

This bill:

- 1) Aligns charter school audits with those of school districts, including audit timelines, procedures, and use of the SACS.
- 2) Requires school auditors to complete targeted training.
- 3) Directs updates to the audit guide and compliance procedures to include charter-specific content, including sampling methodology, attendance by track and month, material related-party transactions, classroom-based instructional minutes, student-teacher ratios, funding determination, large monetary transfers, electronic payments, and charter oversight practices.
- 4) Requires the SCO to conduct more frequent quality control reviews of auditors.
- 5) Establishes an Office of the Inspector General under the SBE to investigate charter-related financial misconduct.
- 6) Retains the existing SBE funding determination process for NCB charter schools, but adds new transparency requirements, including:
  - a) Requiring charter schools within the same network to apply jointly.
  - b) Requiring submission of financial documents to CDE in non-determination years.
  - c) Including the current expense of education in the funding determination review.
  - d) Codifying mitigating factors such as reserves, one-time funds, and facilities spending.

- 7) Prohibits charter schools from contracting with private religious organizations or schools.
- 8) Prohibits schools from providing funding for season passes to amusement parks, zoos, family entertainment centers and theme parks.
- 9) Prohibits gifts for pupils or prospective pupils.
- 10) Requires contractors to have a business license and appropriate insurance.
- 11) Requires charter school contracts over \$100,000 to be approved by the governing body.
- 12) Prohibits employee bonuses or compensation tied to student attendance or course completion.
- 13) Reestablishes a statewide Charter Authorizer Technical Assistance team at FCMAT.
- 14) Requires authorizers to provide enhanced oversight in key compliance areas, including:
  - a) Attendance accounting and enrollment.
  - b) Student-teacher ratios.
  - c) Classroom-based instructional minutes.
  - d) Audit compliance monitoring.
  - e) Credit card and electronic expenditures.
- 15) Requires CDE to study the feasibility of integrating CALPADS with the state's ADA funding system to detect duplicate or excessive attendance claims.
- 16) Caps authorizing capacity for districts with fewer than 10,000 ADA to no more than 100% of their own ADA in authorized NCB charter enrollment.
- 17) Allows existing NCB charters to remain with a small-district authorizer if the district has at least four full-time executive-level staff.
- 18) Requires the SBE to reassign NCB charters that exceed this threshold to a larger authorizer within the county upon renewal.

## Comments

- 1) *Need for this bill.* According to the author, “Upon the discovery of large-scale fraud perpetrated by a number of nonclassroom based charter schools, the Legislature imposed a moratorium on the establishment of new NCB charter schools, with a commitment to reform NCB charter schools.

“One example of such fraud includes *People v. McManus*, where the San Diego County District Attorney’s Office indicted 11 defendants in a fraud scheme involving nineteen A3 Charter Schools. A3 Charter Schools created a partnership with a Little League summer sports program and enrolled Little League players in their charter school during the summer months to generate state attendance funding, despite A3 Charter Schools having never provided instruction to these little league players. A3 Charter Schools also transferred pupils between charter schools in their network to collect more than one school year of funding per pupil. The A3 Charter Schools case revealed many weaknesses in the State’s education system in the areas of pupil data tracking, auditing, and school finance.

“Loopholes in state law have allowed these unscrupulous practices at NCB charter schools to continue unchecked, wasting State taxpayer dollars. The state must enact comprehensive reforms, consistent with the 2024 Legislative Analyst’s Office (LAO)/FCMAT report to the Legislature and the Controller’s Taskforce report, to combat fraud before the moratorium on NCB charter schools expires in January 2026. AB 84 does that by improving transparency and accountability among charter school authorizers and charter schools.”

- 2) *Background on Charter Schools.* Charter schools are public schools that operate under the terms of a charter agreement approved by a school district, county office of education, or the SBE. Established by the Charter Schools Act of 1992, they were intended to increase learning opportunities for all students, especially those who are academically low-achieving, and to promote innovation, site-based decision-making, and performance-based accountability.

Today, charter schools serve over 700,000 students in California. They are publicly funded and tuition-free but operate with greater flexibility in exchange for accountability for results. Charter schools may be operated by nonprofit organizations or, in some cases, by charter management organizations (CMOs) that oversee multiple schools. While most charter schools operate classroom-based programs similar to traditional schools, a significant share operate in a NCB model.

- 3) *What Are NCB Charter Schools?* A charter school is considered NCB if less than 80% of its instructional time occurs under the immediate supervision of a credentialed teacher in a classroom setting. NCB charter schools may offer instruction through virtual, blended, or home-based learning models. These schools often serve high proportions of students with unique learning needs, such as students who are medically fragile, pursuing athletic or artistic careers, or seeking alternatives to traditional settings.

Because NCB schools are not funded automatically based on attendance like classroom-based schools, they must obtain a funding determination from the SBE. This process is based on an evaluation of audited expenditures and is intended to ensure public funds are being used for instructional purposes. However, the process has been widely criticized for its lack of rigor, real-time accountability, and effectiveness in preventing misuse of funds. The integrity of financial reporting in NCB schools plays a critical role in funding eligibility, and, when abused, can be exploited to inflate apportionments and divert public resources.

- 4) *The Moratorium on NCB Charter Schools and Broader 2019 Charter School Reforms.* In 2019, the Legislature passed AB 1505 (O'Donnell, Chapter 486, Statutes of 2019) and AB 1507 (Smith, Chapter 487, Statutes of 2019), which significantly restructured charter school law. Among other changes, AB 1505 strengthened the criteria for charter authorization and renewal by:
- a) Allowing authorizers to consider academic and fiscal impact on the district when reviewing petitions.
  - b) Tying renewal decisions to a school's performance on the California School Dashboard, streamlining renewal for high performers and requiring greater scrutiny for low performers.
  - c) Expanding credentialing requirements to all charter school teachers and applying conflict-of-interest laws to charter boards.

AB 1507 restricted charter schools from operating sites outside their authorizing district's boundaries.

Together, these bills also enacted a moratorium on new NCB charter schools through January 1, 2026. The pause was intended to give the state time to re-evaluate oversight, funding, and academic accountability in the NCB sector, following concerns about weak controls and inconsistent performance.

This bill builds on this reformed oversight landscape by proposing additional audit, fiscal, and governance tools specific to charter school accountability.

- 5) *The A3 Charter Schools Fraud Case.* The most significant charter school fraud case in California’s history, the A3 Education scandal, came to light in 2019. Prosecutors alleged that two individuals created a network of 19 NCB charter schools and enrolled tens of thousands of students, many without their knowledge or participation, to fraudulently claim public funding. The scheme involved:

- a) Inflated and duplicated enrollment using a manipulated “multi-track” calendar.
- b) Unauthorized use of public funds through related-party contracts.
- c) A total fraud estimate of over \$400 million in misappropriated state funds.

The case revealed multiple breakdowns in the oversight chain—from charter authorizers to external auditors to state agencies—prompting calls for systemic reform.

- 6) *Oversight Reports Prompting Legislative Action.* In response to the A3 scandal and other fraud incidents, state and independent agencies released two major reports:

- a) *SCO Charter School Audit Task Force Report (2024):* Focused on improving the quality of school audits by increasing auditor training, revising the audit guide, establishing certified public accountant review and rotation policies, and ensuring follow-up on audit findings.
- b) *LAO/FCMAT Joint Report on NCB Charter Schools (2024):* Analyzed the NCB funding determination process and recommended major changes to better align funding with instructional delivery. Recommendations included real-time enrollment tracking, clearer definitions of instruction, and changes to charter oversight authority.

- 7) *State audit of Highlands underscores need for stronger oversight.* A June 2025 report by the State Auditor found that Highlands Community Charter improperly claimed over \$180 million in K–12 funding, operated with uncredentialed teachers, and engaged in wasteful spending and conflicts of interest. The audit also faulted Twin Rivers Unified School District and state agencies for lax oversight, despite prior warnings. While not every finding directly maps onto this bill’s provisions, the report highlights systemic



weaknesses in oversight, transparency, and governance that this bill seeks to address.

- 8) *Balancing accountability with support for student-centered choice.* This bill has generated substantial public engagement, especially from families who rely on NCB charter schools for educational flexibility. Many of these messages express concern that increased oversight could restrict school choice or reflect a broader opposition to charter schools. These concerns reflect real experiences and deserve to be taken seriously.

At the same time, this bill emerged in response to longstanding oversight concerns and notable fraud cases—not from an effort to limit educational options. In cases like A3 and Highlands, weaknesses in data systems, fiscal reporting, and oversight structures enabled large-scale misuse of public funds. To address these concerns, state agencies developed recommendations aimed at improving transparency, accountability, and operational safeguards in the NCB space.

This bill is built around those recommendations. Many early provisions have been amended or removed in response to stakeholder concerns. The remaining proposals focus on strengthening financial practices, clarifying oversight roles, and ensuring that public funds are used appropriately.

Support for this bill—or for the concepts it puts forward—does not need to signal a position on the broader debate over charter schools. It may simply reflect a belief that clear accountability standards are essential to preserving the innovation and flexibility that many families value in NCB charter programs.

- 9) *Targeted reforms in line with oversight recommendations.* This bill reflects a coordinated response to the findings of the 2024 LAO/FCMAT review of the NCB funding determination process and the SCO’s Charter School Audit Task Force. Both reports identified systemic vulnerabilities in the oversight of NCB charter schools, particularly related to fiscal accountability, weak audit standards, and insufficient authorizer capacity. This bill seeks to close these gaps through a range of provisions aimed at standardizing audits, clarifying oversight responsibilities, limiting authorizations by small school districts, and increasing transparency in attendance accounting. Unlike early versions of this bill, these reforms are not intended to reduce funding to charter schools or change the instructional models they may offer. Rather, they are focused on ensuring that public funds are spent appropriately and that oversight mechanisms are robust and equitable.

- 10) *Improved audit practices and financial accountability.* A major theme of both the LAO/FCMAT report and the SCO's Charter School Audit Task Force findings was the need to modernize and strengthen charter school audits. The A3 case revealed that NCB charter schools were able to hide fraudulent practices due to insufficient audit procedures, lack of auditor training, and the ability to switch auditors if problems were identified. This bill addresses these concerns by aligning charter school audit procedures with those used for school districts, requiring auditors to receive specialized training, and directing the Education Audit Appeals Panel to revise the audit guide to include new areas of review specific to NCB charter schools, such as teacher-pupil ratios and documentation sampling. These changes are intended to ensure that audits are not only more rigorous but also better able to detect misuse of funds and systemic noncompliance.
- 11) *Ensuring authorizer accountability as part of a comprehensive oversight system.* The most serious charter school fraud cases in California—A3 and Highlands—were perpetrated by school operators who intentionally misused public funds. However, these cases also revealed weaknesses in the oversight infrastructure that allowed misconduct to persist undetected for years. Charter school authorizers play a critical role in ensuring legal compliance and educational quality, but that role varies considerably depending on the size, capacity, and approach of the authorizing district.

In some instances, authorizers lacked sufficient resources or staff expertise to monitor complex NCB programs, especially those serving students far beyond district boundaries. In others, warning signs were missed or under-addressed, despite red flags in audits or financial reports. This bill does not assign blame to authorizers for every instance of misconduct, but it does reflect a broader consensus that oversight obligations must be taken seriously—and that there should be reasonable consequences when they are not.

To that end, this bill strengthens expectations for authorizer monitoring in key risk areas such as attendance accounting, electronic payments, and student-to-teacher ratios. It also seeks to align authorizing capacity with district size and staff infrastructure. While this bill stops short of imposing direct financial penalties on authorizers, the concept of holding authorizers more accountable—such as through potential reimbursement of oversight fees when duties are neglected—has been raised during policy discussions and may merit future consideration. These reforms are ultimately designed not to penalize oversight agencies, but to ensure that the safeguards intended to protect students and taxpayers function as intended.

- 12) *Matching authorizer capacity to oversight responsibility.* This bill limits the ability of small school districts to authorize NCB charter schools that serve student populations larger than the district itself. Specifically, districts with fewer than 10,000 ADA may authorize NCB charter schools only up to a combined enrollment equal to 100% of their own ADA. Existing NCB charter schools may remain with their current small district authorizer if that authorizer employs at least four executive-level staff. For NCB charter schools that exceed the cap and are authorized by districts without the required staffing capacity, this bill directs the SBE to reassign the charter to a larger authorizer within the county at the time of the school's next renewal. These changes are intended to better align authorizer oversight capacity with the scale of the schools they oversee.
- 13) *Preventing attendance fraud through data modernization and calendar safeguards.* One of the most egregious findings in the A3 fraud case was the manipulation of student enrollment and calendars to double- or triple-count attendance for state funding. This was made possible, in part, because California lacks a real-time, student-level system for tracking ADA. Currently, attendance is reported separately from student demographic data in CALPADS, making it difficult to detect duplicate or sequential enrollments across schools. This bill directs CDE to study the feasibility of integrating attendance data into CALPADS by 2030, laying the groundwork for long-term improvements in fraud detection.
- 14) *Charter authorizer support and training.* In addition to addressing oversight limits, this bill proposes reestablishing a statewide support structure for charter school authorizers, modeled after the now-defunct Charter Authorizers Regional Support Network (CARSNet). The new Charter Authorizer Support Team (CAST), to be administered by FCMAT, would provide training, technical assistance, and tools for small and mid-size districts tasked with overseeing charter schools. The goal is to build authorizer capacity not by defaulting to state-level control but by investing in local expertise. This proposal aligns with SCO's Charter School Audit Task Force recommendations and has been retained in this bill with support from charter oversight organizations.

**FISCAL EFFECT:** Appropriation: No   Fiscal Com.: Yes   Local: Yes

According to the Senate Appropriations Committee:

- The California Department of Education (CDE) estimates General Fund costs of \$13.5 million each year to establish and staff the Office of Inspector

General. This estimates assumes an office size of 45 staff which includes an Inspector General and a Deputy Inspector General, and that the office would leverage existing HR, IT, and legal services within CDE. The CDE estimates additional General Fund costs of \$174,000 each year for one position and \$750,000 in one-time General Fund to contract for work associated with the feasibility of integrating the California Longitudinal Pupil Achievement Data System (CALPADS) and apportionment data systems.

- The Fiscal Crisis and Management Assistance Team (FCMAT) estimates Proposition 98 General Fund costs ranging from \$623,000 to \$1.043 million each year and two to three positions to establish and operate the Charter Authorizing Technical Assistance Team. The FCMAT estimates additional, one-time Proposition 98 General Fund costs of \$100,000 to comply with the bill's requirement for the CDE, in consultation with FCMAT, to report on the CALPADS and apportionment data systems alignment.
- This State Controller's Office (SCO) estimates General Fund costs of \$1.6 million each year to hire 7.5 additional staff to implement the bill's provisions regarding independent auditor quality control reviews. These resources would be used to verify mathematical accuracy of additional schedules, certify additional CPA training hours, perform quality control reviews of CPA firms, and additional administrative tasks such as updating the K-12 audit guide.
- This bill could result in additional, unknown Proposition 98 General Fund costs each year for charter schools to comply with the bill's new audit requirements. Each local educational agency (LEA) contracts with an independent auditing firm to conduct its annual audit to verify compliance with state law. These auditing firms could charge higher fees to LEAs to account for the additional requirements.
- To the extent that the bill's increased oversight provisions lead to the closure of some NCB charter schools or there is a reduction in educational options (including vendor-based services) that would be available, the transferring of students to traditional public schools or other charter schools could have a local fiscal impact. The extent of these costs is unknown and would vary depending on the type of LEAs involved, the number of students that transfer, and whether those students qualify for supplemental or concentration grant funding under the Local Control Funding Formula (LCFF). The LCFF entitlements or ADA funding for students that transfer

within the public school system would typically follow those students, therefore the overall impact to the state would be cost neutral. However, if the students leave the public school system altogether and choose to attend private schools, there could be reduced ADA and LCFF costs for those students.

- The bill's oversight provisions along with the establishment of the Office of the Inspector General could potentially result in unknown savings for the state to the extent they prevent or deter future fraud and the misuse of public funds.

**SUPPORT:** (Verified 8/30/25)

California School Employees Association (source)  
American Federation of State, County and Municipal Employees  
California Democratic Party  
California Federation of Labor Unions  
California Teachers Association  
CFT- a Union of Educators & Classified Professionals  
Consumer Federation of California  
Democrats of Rossmoor  
Los Angeles County Democratic Party  
Public Advocates

**OPPOSITION:** (Verified 8/30/25)

21st Century Alliance  
Achieve Charter Schools  
Advocates for Faith & Freedom  
Alder Grove Charter School  
Allegiance Steam Academy  
Alliance College-Ready Public Schools  
Alliance of Independent Learners  
Alma Fuerte Public School  
Alpha Public Schools  
Alta Public Schools  
Altus Schools  
America's Finest Charter School  
American Heritage Charter Schools  
Antelope Valley Economic Development & Growth Enterprise  
Antioch Charter Academy  
Antioch Charter Academy II

Ararat Charter School  
Arts in Action Community Charter Schools  
ASA Charter School  
Aspen Public Schools  
Aspire Public Schools  
Association of Personalized Learning Schools & Services  
Autism Society Inland Empire  
Aveson Schools  
Big Picture Educational Academy  
Big Sur Charter School  
Birmingham Community Charter High School  
Bridges Charter School  
Bridges Preparatory Academy  
Brookfield Engineering Science Technology  
Butte County Office of Education  
Cabrillo Point Academy  
California Homeschool Network  
California Association of School Business Officials  
California Baptist for Biblical Values  
California Catholic Conference  
California Charter Schools Association  
California County Superintendents  
California Creative Learning Academy  
California Montessori Project  
California Online Public School  
California Pacific Charter Schools  
California Parents for Public Virtual Education  
California Policy Center  
California Republic Leadership Academy  
California Virtual Academies  
Camarillo Academy of Progressive Education  
Camino Nuevo Charter Academy  
Catalyst Legacy  
Champs Charter High School of the Arts  
Charter Schools Development Center  
Children's Community Charter School  
Chime Institute  
Choices Charter School  
City of Huntington Beach  
Clarksville Charter School

Coastal Grove Charter School  
College Prep Genius  
Community Learning Center Schools  
CORE a Community Collaboration  
CORE Butte Charter School  
CORE Charter School  
County of Sonoma  
Creative Cultivation Studio  
Creative Learners of California  
Creative Learning Place  
Crossroads Charter Academy  
CWC Los Angeles  
Da Vinci Schools  
Decentralize America  
Delta Managed Solutions  
Desert Trails Preparatory Academy  
Discovery Charter Schools  
Dixon Montessori Charter School  
Dr. Lewis Dolphin Stallworth Charter School  
Dual Language Immersion North County  
Edison Bethune Charter Academy  
Ednovate  
Education for Change Public Schools  
Eel River Charter School  
El Sol Science and Arts Academy  
Element Education  
Elevate School  
Environmental Charter Schools  
Epic Charter School  
Equitas Academy Charter Schools  
Excel Academy Charter School  
Extera Public Schools  
Family Partnership Charter School  
Feaster (Mae L.) Charter School  
Feather River Charter School  
Fenton Charter Public Schools  
Foothill Learning Academy  
Forest Charter School  
Forest Ranch Charter  
Freedom Angels

Fresno Innovative Charter Schools  
Gabriella Charter Schools  
Gateway College and Career Academy  
Gateway Community Charters  
Girls Athletic Leadership Schools Los Angeles  
Glacier High School Charter  
Golden Eagle Charter School  
Golden Valley Charter School  
Gorman Learning Charter Network  
Granada Hills Charter  
Granite Mountain Charter School  
Great Valley Academy  
Green DOT Public Schools  
Griffin Technology Academies  
Growth Public Schools  
Guajome Schools  
Hawking Steam Charter School  
Heartwood Charter School  
Hemet Christian Homeschool Moms  
High Tech Los Angeles  
History Rocks!  
Home Haven Collective  
Hometech Charter School  
Howard Gardner Community School  
ICEF Public Schools  
iLEAD  
iLEAD CA Charters 1  
iLEAD California  
Ingenium Schools  
Innovations Academy  
Innovative Education Management  
Inspire School of Arts and Sciences  
Intellectual Virtues Academy High  
Invictus Leadership Academy  
Irvine International Academy  
Ivy Academia  
JCS Family of Charter Schools  
John Muir Charter Schools  
Journey School  
Kairos Public Schools



Kavod Charter School  
Kepler Neighborhood School  
Kid Street Charter School  
Kidinnu Academy  
KIPP Public Schools Northern California  
Larchmont Charter School  
Lashon Academy  
Learn4life  
Learning for Life Charter School  
Legislation Take Action  
Leonardo Da Vinci Health Sciences Charter School  
Lighthouse Baptist Church  
Literacy First Charter Schools  
Little Explorers Homeschool Co-Op  
Live Online Math  
Los Angeles Academy of Arts and Enterprise  
Magnolia Public Schools  
Maria Montessori Charter Academy  
Matrix for Success Academy  
Mayacamas Countywide Middle School  
Meadows Arts and Technology Elementary School  
Megapixels School of the Arts  
Method Schools  
Mission Vista Academy  
Montague Charter Academy  
Motivated Youth Academy  
Mountain Home School Charter  
Multicultural Learning Center  
Museum School Collaborative  
Natomas Charter School  
Natomas Homeschool Alliance  
Natomas USD for Freedom  
Navigator Schools  
New Heights Charter School  
New West Charter  
Nord Country School  
Northern United Charter Schools  
Northwest Prep Charter School  
Nova Academy Early College High School  
Ocean Charter School

Odyssey Charter Schools  
Olive Grove Charter School  
Orange County Academy of Sciences and Arts  
Orange County Board of Education  
Orange County School of the Arts/California School of the Arts Foundation  
Pacific Charter Institute  
Pacific Justice Institute - Center for Public Policy  
Pacific View Charter School  
Pacoima Charter School  
Para Los Ninos  
Pasadena Rosebud Academy Charter School  
Pazlo Education Foundation  
PCA College View  
Peabody Charter School  
Peninsula Parents for Personalized Education  
Plumas Charter School  
Port of Los Angeles High School  
Pseudogenius Learning Labs  
Puente Learning Center  
Real Impact.  
Redding School District  
Redwood Coast Montessori  
Redwood Collegiate Academy  
Renaissance Arts Academy  
Revillage Napa Homeschoolers  
Rex and Margaret Fortune School of Education  
River Montessori Charter School  
River Oaks Academy Charter School  
River Springs Charter School  
Rocklin Academy Family of Schools  
Sage Oak Charter Schools  
San Carlos Charter  
San Diego Virtual School  
San Jose Conservation Corps & Charter School  
Santa Rosa Academy Parents  
Santa Rosa French-American Charter School  
Save Glendora Schools  
Save Our Schools Coalition  
Scale Leadership Academy  
Scholarship Prep Charter School

Sebastopol Independent Charter  
Sequoia Career Academy  
Shade Canyon School  
Shasta Charter Academy  
Shasta View Academy  
Sherman Thomas Charter School  
Sherwood Montessori  
Small School Districts Association  
Soar Charter Academy  
Southwest California Legislative Council  
Sparrow Academy  
Stand Up California  
Stand Up Sacramento County  
Stellar Charter School  
Stem Prep Schools  
Stride  
Success One! Charter  
Summit Enrichment Academy  
Summit Public Schools  
Suncoast Charter  
Suncoast Prep Academy  
Supporting True Options in Public Education Coalition  
Sycamore Creek Community Charter School  
Synergy Academies  
Taylion High Desert Academy  
Teach Public Schools  
Tehama Elearning Academy  
Temecula Valley Charter School  
The Classical Academies  
The Cottonwood School  
The Foundation for Hispanic Education  
The Grove School  
The Language Academy of Sacramento  
The Learning Choice Academy  
The O'Farrell Charter Schools  
The Preuss School UCSD  
Tierra Pacifica Charter  
Tree of Life Charter School  
Trillium Charter School  
Union Street Charter

Urban Charter Schools Collective  
Valley Charter School  
Valley Industry and Commerce Association  
Valley International Preparatory High School  
Valley Life Charter Schools  
Valley View Charter Prep  
Ventura Charter School of Arts and Global Education  
Vibrant Minds Charter School  
Virtual Learning Academy, Sage Oak Charter Schools  
Vista Charter Public Schools  
Vista Oaks Charter School  
Voices College Bound Language Academies  
Vox Collegiate  
We Spark Learning  
Westbrook Academy  
Western Sierra Charter Schools  
Westlake Charter School  
Wildflower Open Classroom  
William Finch Charter School  
Write On!  
YPI Charter Schools  
Yuba County Career Preparatory Charter School

**ARGUMENTS IN SUPPORT:** The California School Employees Association (CSEA), sponsor of this bill, supports the bill as a necessary set of reforms aligned with recommendations from the LAO, FCMAT, the SCO's Charter Audit Task Force, and the California Charter Authorizing Professionals. CSEA argues that California's existing oversight framework for NCB charter schools has proven inadequate, allowing significant misuse of public funds and governance breakdowns.

CSEA highlights the 2019 A3 Education scandal, in which \$400 million in state funds were misappropriated through fraudulent student enrollment schemes and self-dealing contracts. A3 targeted small school districts with limited capacity to serve as authorizers and operated a network of schools under centralized control, using their authority to contract with related entities. CSEA contends that this case illustrates how existing safeguards—audits, authorizer oversight, and the funding determination process—failed to prevent large-scale fraud.

With the NCB charter moratorium set to expire in January 2026, CSEA believes this bill is a timely and measured response. The bill reflects the work of

nonpartisan agencies tasked with identifying structural gaps and proposing improvements. In CSEA's view, the Legislature must act now to close loopholes and ensure that public funding for NCB charter schools is subject to stronger accountability moving forward.

**ARGUMENTS IN OPPOSITION:** A coalition representing nearly all California charter schools—including APLUS+, the California Charter Schools Association, and the Charter Schools Development Center—opposes this bill. While the coalition supports efforts to prevent fraud, it argues that the bill takes a heavy-handed approach that would impose excessive administrative requirements, divert funds from classrooms, and establish two new state bureaucracies. The coalition instead supports SB 414 (Ashby, 2025), which they view as a more balanced and targeted reform effort aligned with the recommendations of recent oversight reports and better suited to support high-performing charter schools.

Opponents contend that this bill goes well beyond what recent oversight reports recommend and reopens long-settled policy issues without clear justification. They argue that the bill expands audit and authorizer oversight duties without ensuring accountability for authorizers themselves, caps authorizing authority based on district size without supporting data, and imposes costly mandates on schools and state agencies without providing funding. They also raise concerns about provisions such as limits on teacher compensation for meetings, new reporting obligations, and the creation of new oversight agencies, asserting these are not grounded in evidence and would harm effective educational programs.

While acknowledging that discussions with the author's office and committee staff are ongoing, the coalition believes that this bill is not the right vehicle for reform in its current form. They describe the bill as punitive, costly, and unlikely to achieve its intended outcomes. The coalition reaffirms its support for responsible charter school oversight and expresses appreciation for the committee's earlier support of SB 414 as a more appropriate path forward.

**ASSEMBLY FLOOR:** 43-25, 6/5/25

**AYES:** Addis, Aguiar-Curry, Ahrens, Alvarez, Arambula, Ávila Farías, Bains, Bennett, Boerner, Bonta, Bryan, Calderon, Caloza, Connolly, Elhawary, Fong, Gabriel, Garcia, Gipson, Mark González, Haney, Hart, Kalra, Lee, Lowenthal, Muratsuchi, Nguyen, Papan, Patel, Pellerin, Celeste Rodriguez, Rogers, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Valencia, Ward, Wicks, Zbur, Rivas

**NOES:** Alanis, Castillo, Chen, Davies, DeMaio, Dixon, Ellis, Flora, Gallagher, Jeff Gonzalez, Hadwick, Hoover, Irwin, Lackey, Macedo, Pacheco, Patterson,

Petrie-Norris, Ramos, Michelle Rodriguez, Blanca Rubio, Sanchez, Ta, Tangipa,  
Wallis

NO VOTE RECORDED: Bauer-Kahan, Berman, Carrillo, Harabedian, Jackson,  
Krell, McKinnor, Ortega, Quirk-Silva, Ransom, Wilson

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