SENATE RULES COMMITTEE
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THIRD READING

Bill No: AB 84
Author: Muratsuchi (D) and Garcia (D), et al.
Amended: 9/9/25 in Senate
Vote: 21

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

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 and contracting

SOURCE: Author

DIGEST: This bill makes a series of changes to the oversight and operation of nonclassroom-based (NCB) charter schools. Specifically, it: (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 (4) places new limits on the ability of small school districts to authorize NCB charter schools that serve student populations larger than their own.

Senate Floor amendments of 9/9/25: (1) expand the annual audit guide to include new schedules on enrollment, funding determinations, contracts, and governance, while adding charter and classified employee advocacy groups to the stakeholder process, (2) allow funding determinations to continue indefinitely if verified annually, (3) require consistency across networks in audits or State Board hearings, (4) restrict certain contracts by banning season passes and attendance incentives, (5) create grant programs for authorizer mentor support, authorizer oversight costs, and charters transitioning to the Standardized Account Code Structure (SACS) accounting system, (6) temporarily bar authorizers under corrective assistance from approving new NCB schools, and (7) direct the Legislative Analyst's Office (LAO) to study the bill's new mandates on charters to inform adjustments to the mandate block grant.

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 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 (PCC).

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 (LCAP).

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) Requires training for LEA auditors.

2) Updates the audit compliance procedures and audit guide to include sampling guidance, enrollment and attendance by month, related-party transactions, student–teacher ratios, large transfers, funding determinations, credit card/electronic payments, and charter oversight practices.

3) Establishes risk-based quality control reviews by the State Controller.

4) Requires schools to correct over-appropriated attendance and post audits on their websites.

5) Creates the Office of the Inspector General under the SBE.

6) Aligns charter school audit procedures with those of school districts, including use of the SACS, and establishes a grant program to reimburse charter schools for transitional costs.

7) Requires the LAO to analyze the new mandates for purposes of adjusting the charter school mandate block grant.

8) Requires charter authorizers with audit findings related to charter oversight to receive technical assistance.

9) Authorizes NCB charter schools to retain State Board funding determinations indefinitely if annual audits verify compliance with thresholds.

10) Requires schools in an NCB network to either use the same auditor or apply jointly in the same year, with network-wide review of pupil–teacher ratios and spending thresholds.

11) Codifies mitigating circumstances, including reserves, one-time funds, and facility expenditures.

12) Prohibits private religious schools from serving as public school contractors.

13) Prohibits parents from contracting for services solely for their own child.

14) Prohibits schools from purchasing season passes for amusement parks, zoos, or family entertainment venues.

15) Prohibits gifts to pupils or prospective pupils.

16) Requires contractors to hold a business license and insurance and prohibits them from charging pupil fees.

17) Requires charter school contracts over $100,000 to be approved by the governing body.

18) Prohibits employee bonuses based on student attendance.

19) Requires CDE to study the feasibility of connecting CALPADS with the ADA funding system.

20) Requires authorizers to strengthen oversight in key areas, including audit compliance, credit card/electronic payments, governing board monitoring, site visits, attendance accounting, and student–teacher ratios.

21) Establishes a grant program to support authorizers with increased oversight costs.

22) Caps the authorizing capacity of small districts (<10,000 ADA) to 100% of their own ADA.

23) Allows existing NCB charters to remain with a small-district authorizer if the district has at least four executive-level staff.

24) Requires the SBE to reassign NCB charters authorized by small districts to a larger district authorizer in 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. The 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 the 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. The 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, the 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 the 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, the 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.

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 9/10/25)

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

OPPOSITION: (Verified 9/10/25)

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
City of Porterville
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
LA Jolla Band of Luiseno Indians
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
Pauma Band of Luiseno Indians
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
Rincon Band of Luiseno Indians
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
Numerous Individuals

ARGUMENTS IN SUPPORT: The California School Employees Association (CSEA), sponsor of AB 84, 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 AB 84 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 AB 84. 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 AB 84 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 AB 84 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

Prepared by: Ian Johnson / ED. / (916) 651-4105
9/11/25 13:12:199/11/25 13:12:19

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