

Date of Hearing: August 20, 2025

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

SB 373 (Grove) – As Amended July 17, 2025

Policy Committee: Education

Vote: 9 - 0

Urgency: No

State Mandated Local Program: Yes

Reimbursable: Yes

**SUMMARY:**

This bill, beginning with the 2026-27 school year, expands the certification requirements for nonpublic, nonsectarian schools (NPS) serving students with disabilities and increases the oversight responsibilities the California Department of Education (CDE) and local educational agencies (LEAs) must conduct for students placed in these schools.

**FISCAL EFFECT:**

- 1) Ongoing General Fund costs of approximately \$1.1 million for the CDE to hire five additional staff to perform the additional oversight and monitoring of NPSs, along with travel and technology costs to develop an integrated data system. The CDE also cites potential for significant costs, likely in the millions of dollars, associated with potential litigation, likely occurring within the first year of the bill's enactment, related to parent rights and student safety.
- 2) Ongoing Proposition 98 General Fund cost pressures of an unknown but potentially significant amount, likely in the hundreds of thousands to millions of dollars annually, for LEAs, collectively statewide, serving students in NPS placements to conduct the required oversight and student polling. These students, and therefore the cost associated, are not evenly distributed throughout the state; therefore, fulfilling these responsibilities will cost more small LEAs without robust staff dedicated to special education student supports.

**COMMENTS:**

- 1) **Purpose.** According to the author:

California has long been a leader in safeguarding our children, yet many vulnerable students in out-of-state placements lack the protections they need. I am dedicated to ensuring that every child in a special education program receives top-quality care and oversight. SB 373 will deliver the transparency and accountability our children deserve.

- 2) **Background. NPS Placements.** In some cases, a student with disabilities' Individualized Education Plan (IEP) dictates services their home LEA setting cannot sufficiently meet. Such students may be enrolled at an NPS, which is a privately operated school that contracts with LEAs to serve such students. The student generates state funding at their home LEA which

the LEA then uses to fund that student's tuition at the NPS. According to data provided by the CDE, as of 2018, 40% of students in these placements were diagnosed with autism and 31% with emotional disturbance. While NPSs still serve students in the state with the most intensive needs, their enrollment has significantly declined in the last twenty years, dropping from 14,258 statewide in 2008 to 6,163 in 2023.

***NPS Oversight.*** LEAs may place students in an NPS either in-state or out-of-state, any of which must meet certification requirements monitored by the CDE. As of the fall of 2024, there were 294 students attending NPSs out-of-state. Current law requires the CDE to conduct an annual review of certification of each NPS or Nonpublic School Agency (NPA) and authorizes it to conduct an onsite review as part of the annual review, including unannounced visits if the CDE receives evidence of a significant deficiency in the quality of educational services provided. Additionally, statute charges the CDE with ensuring that only appropriately qualified and credentialed staff provide special education instruction and services in such settings. Under certain circumstances the Superintendent of Public Instruction may revoke or suspend the certification of an NPS or NPA.

***Concern over CDE and LEA Oversight.*** A 2020 WestEd report cited several concerns regarding education quality and conditions for students placed in NPS and NPA settings, including a conclusion that:

There is confusion among both LEAs and nonpublic schools about the roles and responsibilities of CDE and LEAs in monitoring and overseeing nonpublic schools. In some instances, there is duplication between the CDE and LEA oversight activities and in other instances, the LEA is not conducting any oversight activities. Regardless, the CDE is not holding LEAs accountable for conducting required oversight activities and is not required to do so under the Education Code.

Additionally, no state entity conducts oversight of out-of-state NPSs with regard to licensing, health, and safety standards. This is because current law authorizes CDE to oversee only the educational program aspect of NPSs. To this end, WestEd noted the following in its report:

With the elimination of out-of-state residential certification by the CDSS, it is now unclear which entity is responsible for certifying and monitoring the residential program at out-of-state nonpublic school facilities where students with IEPs may be placed to ensure that the facilities meet licensing, health, and safety standards. The CDE certification process is limited to the educational portion of the program. The CDE does not have authority nor the agency expertise to make any findings about the appropriateness of the residential program, which is not within the purview of the CDE.

Particularly for students in out-of-state placements, it appears effective oversight of these schools is not occurring; nor do all other states have the same laws and prohibitions regarding use of seclusion and restraints in schools, leading to concerns of abuse and mistreatment of California students in such schools. Therefore, this bill adds several explicit responsibilities on the CDE and LEAs with regard to overseeing both in- and out-of-state

NPSs and NPAs, including a requirement that the CDE develop an interview tool for use with students in such placements to address any concerns and determine whether they are being treated with professionally and with respect. The bill also requires that, before the CDE may certify an NPS, the school must provide assurances that its policies comply with the applicable California law regarding corporal punishment, seclusion, and restraint.

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