

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: March 23, 2010
POSITION: Oppose
SPONSOR: Service Employees International Union

BILL NUMBER: AB 2363
AUTHOR: T. Mendoza
RELATED BILLS: AB 284, AB 1909, AB 1991, AB 2320, and AB 2543

BILL SUMMARY: Charter Schools: Authorization

This bill would require a petition to convert an existing school to a charter school or open a new charter school to include the signatures of half the number of classified employees that the charter school estimates it would employ during its first year of operation.

FISCAL SUMMARY

This bill would result in a reimbursable state mandate and create minor Proposition 98 General Fund costs for Local Educational Agencies (LEAs) to review the charter petitions and the signatures of school employees.

COMMENTS

The Department of Finance is opposed to this bill for the following reasons:

- The bill would make it more difficult to establish a charter school by adding an additional requirement to the charter school petition process.
The bill would create a barrier to implementation of a school turnaround strategy under federal law.
The bill would create minor additional costs for LEAs and result in a reimbursable state mandate to verify that the signatures of classified signatures meet the statutory requirements that they be from classified employees meaningfully interested in working at the new charter school.
Finally, the federal ESEA is likely to be reauthorized in the near future and will likely include federal direction regarding charter schools.

Analyst/Principal Date Program Budget Manager Date
(0320) N. Schweizer Jeannie Oropeza

Department Deputy Director Date

Governor's Office: By: Date: Position Approved
Position Disapproved

BILL ANALYSIS Form DF-43 (Rev 03/95 Buff)

T. Mendoza

March 23, 2010

AB 2363

A charter school is a public school that operates under a charter agreement with an authorizing agency, often the LEA in which the charter school is located. Charters schools are generally created by teachers, parents, and the community and are exempt from many of the laws that regular public schools must abide by. A charter school petition must include evidence of support from teachers and students through meeting the signature requirements in statute. For a conversion charter school, the signatures must be from existing teachers and students that would continue teaching at or attending the school after it became a charter. Similarly, the bill would require the signatures of classified employees supporting a conversion charter school to be from existing employees at that school. The chartering authority must review the petition and make a decision on the educational soundness of the charter program based on the guidance provided in statute. Currently, a charter petition is also required to provide information on the rights of any employees of an LEA who leave the LEA to work in the charter school and their return rights to the LEA.

Under the federal SIG there are the following four interventions options for low performing schools: (1) Turnaround Model: replace staff and reform staff recruitment and retention processes, create a new instructional program, and increase instructional time; (2) Closure Model: close the school and redirect students to higher performing schools; (3) Restart Model: close the school and reopen it under either a Charter School Operator, a Charter Management Organization or an Educational Management Organization; or (4) Transformation Model: create a comprehensive instructional program, increase student data usage, increase instructional time, and provide more flexibility and support. Up to 188 persistently low-performing schools are eligible to apply for SIG funding to undertake one of these interventions.

There are a number of related bills pending in the Assembly Education Committee (AB 1909, AB 1991, AB 2320, and AB 2543) and one on the Assembly Floor (AB 284) that would also make changes to charter school petition, renewal, and appeal processes.

Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)								Fund Code
	LA	(Dollars in Thousands)								
	CO RV	PROP 98	FC	2010-2011	FC	2011-2012	FC	2012-2013		
6110/Dept of Educ	LA	Yes			-----	See Fiscal Summary	-----			0001