



CALIFORNIA
DEPARTMENT OF
EDUCATION

1430 N STREET
SACRAMENTO, CA
95814-5901

JACK O'CONNELL

State Superintendent of
Public Instruction

PHONE: (916) 319-0800

November 15, 2006

Dear Charter School Administrator:

The 2006 legislative year ended with several important changes impacting charter school operations, summarized below for your information:

Charter School Funding – Economic Impact Aid (EIA)

The Budget Act of 2006 (Chapter 47, Statutes of 2006) as amended by Assembly Bill (AB) 1811 (Chapter 48, Statutes of 2006), augmented the budget act item for the EIA program by approximately \$350 million. Charter schools are to receive a portion of this funding to ensure that the charter school EIA funding rate is equal to the average per-pupil EIA funding provided to school districts. AB 1802 (Chapter 79, Statutes of 2006) revised the funding formula for EIA for both school districts and charter schools. Senate Bill (SB) 1131 (Chapter 371, Statutes of 2006) made further revisions to the data that charter schools are required to report for use in the EIA formula.

In 2006-07, all continuing block-grant funded charter schools will receive EIA funding based on their prior year enrollment counts as reported in the California Basic Educational Data System (CBEDS), prior year English Learner (EL) counts as reported in the R30-LC Language Census, and current year Economically Disadvantaged (ED) counts, which are counts of pupils ages five through seventeen, as of October 2006, whose annual family income is at or below the federal poverty level. New charter schools will receive EIA funds based on current year CBEDs, R30-LC, and ED counts.

Advance Funding for Continuing Charter Schools Adding Additional Grade Level

SB 604 (Chapter 139, Statutes of 2006), which will be implemented beginning with the 2007-08 fiscal year, amends Section 47652 of the *Education Code* to permit the California Department of Education (CDE) to provide advance funding to continuing charter schools that are adding an additional grade level. Under the provisions of SB 604, the average daily attendance (ADA) funded for a new grade level may not exceed the portion of the certified ADA at the second principal apportionment (P-2) for the prior year that was attributable to pupils in the highest grade served by the charter school. Additional guidance regarding charter schools' notification requirements will be forthcoming.

Charter School Appeals of Revocation Decisions

AB 2030, Haynes (Chapter 757, Statutes of 2006) addresses the issue of charter school revocations, adding provisions to ensure due process for revocation proceedings, establishing an appeals process, and provides for continued funding for charter schools while an appeal is pending under specified conditions. Specifically, AB 2030 does the following:

- Requires a written notice of intent to revoke, and a notice of facts supporting revocation, be provided to the charter school prior to charter revocation (and after a reasonable opportunity to cure alleged violations has occurred).
- Requires a public hearing within 30 days of issuing the notice of intent to revoke, and that a final decision to revoke (or not revoke) be issued within another 30 days, unless the charter school and the chartering authority mutually agree to a 30-day extension of the issuance of a decision.
- Requires a chartering authority to make written factual findings supported by substantial evidence that is specific to the charter school that support the chartering authority's findings.
- Establishes various appeals processes:
 - If a school district is the chartering authority and it revokes a charter, the charter school may appeal within 30 days to the county board of education.
 - If the county board either does not issue a decision within 90 days of receipt, or determines to uphold the revocation, the charter school may appeal the revocation to the State Board of Education (SBE).
 - If the county board reverses the school district's revocation, the school district may appeal the reversal to the SBE.
 - If a county office of education is the chartering authority and the county board revokes a charter, the charter school may appeal within 30 days following the decision of the county board to the SBE.
- If the revocation decision of the chartering authority is reversed on appeal, the agency that granted the charter continues to be regarded as the chartering authority.
- While an appeal is pending, a charter school whose revocation proceedings are based on a material violation of the charter or failure to meet or pursue any of the pupil outcomes identified in the charter, shall continue to qualify for funding and may continue to hold all existing grants, resources, and facilities.

- Requires a final decision of a revocation or appeal of a revocation be reported to the chartering authority, the county board, and the CDE.

Changes in the Teacher Credentialing Block Grant, aka “BTSA”

Pursuant to SB 1209, Scott (Chapter 517, Statutes of 2006), approved Beginning Teacher Support and Assessment (BTSA) Induction Programs are eligible to receive funding for charter school teachers to participate in the program. While this bill does not actually take effect until January 1, 2007, CDE has determined to make these funds available (prorated to reflect mid-year implementation) to serve charter school teachers in the current (2006-07) fiscal year. Charter school approved induction programs will receive \$1,946 for every first year charter school teacher for 2006-07. Charter school teachers in their second year of teaching will receive a reduced amount based on available funds. More information will be available in mid-February.

In order to receive funds for the BTSA Induction Program through the Teacher Credentialing Block Grant, a local education agency or charter school (which includes both direct-funded and locally funded charter schools), must either:

1. Become an Approved BTSA Induction Program Sponsor; or
2. Affiliate as a partner with an approved BTSA Induction Program.

BTSA Induction programs are divided into six geographic areas, known as clusters. Please visit www.btsa.ca.gov to find a list of approved BTSA Induction programs and for the contact information for the Cluster Region Director in your area for further information on BTSA Induction program sponsorship or partnership affiliation.

Charter School Eligibility for Assistance Under the California School Finance Authority

AB 2717, Walters (Chapter 325, Statutes of 2006) provides that charter schools are eligible for assistance under the California School Finance Authority (CSFA) Act. The CSFA assists school districts and community college districts by providing financing for working capital and capital improvements. This bill does not contain an urgency clause, meaning that it will become law effective January 1, 2007.

November 2006
Page 4

Questions regarding charter school legislation may be directed to Ms. Deborah Probst, Education Programs Consultant, Charter Schools Division, at (916) 445-1014, or via e-mail at dprobst@cde.ca.gov.

Sincerely,

Marta Reyes, Director
Charter Schools Division

cc: County Superintendents of Schools
District Superintendents of Schools