



## *SB 756 (Durazo): Charter School Moratorium*

### **Bill Summary:**

#### **SB 756:**

- **Establishes a two-year moratorium on new charter schools, and states that the report and recommendations from the Superintendent of Public Instruction’s charter school task force on the impact of charter schools should be reviewed and evaluated before lifting the charter school moratorium.**
- **Requires the Legislative Analyst’s Office to issue a report during the 2022-23 school year regarding the impact of the charter school moratorium.**
- **Expresses the intent of the Legislature to enact legislation that contains the following policies:**
  1. **All charter schools located within a school district shall be approved only by the democratic body elected to oversee education within the jurisdiction of the district.**
  2. **The elected school board shall have complete discretion regarding which public schools to place within its jurisdiction.**
  3. **No schools shall be permitted to locate within a school district that have been approved by any other jurisdiction without the consent of the district controlling the jurisdiction.**
  4. **The overall financial, academic and facilities impact on neighborhood public schools shall be a consideration before a new charter school is approved by a school district.**
  5. **Statewide and district charter school caps shall be established that create reasonable limits in order to preserve the viability and success of existing district schools.**

**Key Message:** For years there has been a critical need to revamp laws governing charter schools. There is a need to return to the original intent of California’s charter school law to have local parents, educators and communities make these decisions. This unregulated expansion has allowed for egregious cases of waste, fraud and abuse upwards of \$149 million which have significantly impacted students in charter schools and in neighborhood public schools. Contrary to what current law allows, school district officials must have the authority to authorize charters seeking to operate in their district and must be able to consider the financial impact it will have on neighborhood public schools. Studies show that nearly 450 charter schools have opened in places that already had enough classroom space for all students and that over the past 15 years, \$2.5 billion of taxpayer money has been misspent on charter school facilities that were not needed or delivered a low-quality education. SB 756 establishes a charter school moratorium of two years on new charters which will provide time to make much-needed adjustments to ensure all students, regardless of zip code, receive the tools, resources and overall quality education they need and deserve.

## Talking Points:

- **Charter school law has not kept pace with growth.** Since the passage of the Charter Schools Act in 1992, very little has changed in the laws governing charter schools. With more than 1,300 charter schools statewide and no serious limits on growth, our students have felt the brunt of the egregious cases of waste, fraud and abuse that the lack of transparency and accountability have allowed to the tune of more than \$149 million. In order to stem further negative consequences of this growth, a moratorium on new charter growth makes the most sense while the state evaluates reforms, strengthens accountability and empowers local communities.
- **Charter school law is broken.** The charter authorization process as currently designed leaves district administrators and elected district leaders without the power to control what is happening in their own jurisdiction, and therefore unable to plan for the best and most fit programs for students in their district. The recent practices of county offices of education and the State Board of Education in overturning evaluations of charter petitions by local school boards is undermining the local communities and hurts students. School district officials must have the authority to authorize charters seeking to operate in their district and must be able to consider the financial impact it will have on neighborhood public schools. The law as currently written:
  - is biased towards approval and does not allow districts to take into consideration a new charter school's impact on other schools, other students, or the district as a whole in determining what should and should not open in their jurisdiction.
  - does not allow the district leadership to control for duplicative programs;
  - does not allow the district to adequately plan for facilities and hinders districts' ability to plan to meet the needs of all pupils.
  - It makes it difficult for districts to close charter schools that may be engaging in discriminatory practices, failing academically, or engaging in fiscal mismanagement or fraud. In the most perverse cases, districts are contemplating shutting down neighborhood schools at the same time that they are being required by state law to authorize new charter schools.
- **Enough is enough.** The growth of charter schools, fueled by greedy, corporate billionaires, has hurt students and continues to do so. The diverting of millions away from their neighborhood public schools and over to unregulated, privately-managed charter schools, leaves them without resources they need. Studies show that in four school districts alone, neighborhood public schools lost more than \$650 million dollars that were shifted to charter schools. The continued proliferation of charter schools draws fiscal and intellectual resources from neighborhood public schools and is preventing all of our district students from receiving the supports they deserve. A moratorium would give us time to ensure that the flaws in current law are fixed before more damage is done.
- **California must adequately invest in and fully fund our schools.** Significant state funds are being spent blindly on charter school facilities without any analysis of the need for additional school facilities, or the cost of creating duplicative facilities beyond what is needed based on the number of pupils overall that must be served. Studies show that nearly 450 charter schools have opened in places that already had enough classroom space for all students. According to research, over the past 15 years, \$2.5 billion of taxpayer money has been misspent on charter school facilities that were not needed or delivered a low-quality education. This especially impacts communities of color. It is imperative that California evaluate the billions in tax dollars or taxpayer subsidized financing spent on California charter school facilities to

ensure funds are not misspent; schools are not built in districts that already have enough classroom space; schools that are found to have discriminatory enrollment policies; and schools that engage in unethical or corrupt practices.

- **Together we must protect our disadvantaged students.** Students of color and students of lower socio-economic means have been targeted and most negatively impacted by the flawed charter law. To protect against poorly targeted investments to schools with low percentages of economically disadvantaged students, the state, in particular, must evaluate funding streams designated for charter leases and rents and targeted to aid low-income students. The ongoing waste, fraud and abuse of this flaw has robbed our students of color of millions in funding over the years.
- **Charter school enrollment patterns demonstrate increased segregation.** Charter schools were not intended to further segregate and isolate students based on race and income. Yet, in larger urban school districts, the unregulated growth of charter schools has meant that neighborhood public schools become more racially segregated and experience an increase in high needs special education and English Learner students. There are significant examples around the state of charter schools contributing to racial and ethnic segregation, both in charter schools as well as among the students remaining at district schools. This goes against our values and against who we are as educators. A moratorium would provide time to ensure charter schools do not contribute to segregation, choose which students to serve, or deny kids the quality teaching and opportunity to learn all students deserve.
  - Additionally, special education funding is currently an underfunded mandate for all schools but given that the system for funding is not based on specific student needs or on the number of students with disabilities being served, district-managed schools assume a higher financial burden. These issues should be deeply examined before additional charter schools are authorized.
- **There is significant “churn” in the charter industry.** There are a large number of closures yet there is no current analysis of the cost to the state or districts, or the educational impact to the students attending the charters that close or those in schools to which they return. There is no assessment whether this “churn” model hinders the overall educational system in the state. Additionally, 98% of California high schools that do not graduate a majority of their students are charter schools. A moratorium would provide time to evaluate the causes and consequences of school closures and low graduation rates in California’s educational system.