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**Legislative Analyst Recommends
Lifting the Cap, Increased Categorical
Funding, and Alternative Authorizers**

Sacramento, January 20, 2004

The California Legislature's Office of the Legislative Analyst recommends expanding charter authorizing agencies, beefing-up the Charter School Categorical Block Grant, and eliminating the cap on the number of charter schools in California. The Analyst's recommendations, issued today in Sacramento, are the latest in a series of largely positive reports and recommendations about California's expanding charter movement.

Issued today, the Analyst's report comes on the heels of last year's RAND corporation study of California charter schools which also contained similar and largely positive recommendations. The Analyst's specific recommendations included the following:

- **Remove the Cap.** The analyst recommends removing the existing growth cap on charter schools. The cap, currently pegged at 750 schools and increasing by 100 annually, is "no longer needed" according to the analyst given the generally positive results achieved by charter schools and the absence of "any alarming finding to warrant slower growth."
- **Expand the Categorical Block Grant.** The analyst recommends a major overhaul of the Charter School Categorical Block Grant to add 14 programs to the grant, move ten programs into the portion of the grant dedicated to disadvantaged students, and keeping ten programs outside of the block grant. CSDC's "eyeball" review of the proposal would indicate a major expansion of the Block Grant, largely due to the addition of several huge categorical programs that do not currently benefit charter schools.

- **Allow for Multiple Charter Authorizing Agencies.** The analyst recommends permitting existing school districts to opt-out of charter-granting responsibilities and also allowing alternative authorizers, such as the State Board of Education, County Offices of Education, colleges, universities, and certain nonprofit agencies to apply for charter-granting status. The analyst also recommends relatively modest oversight procedures to monitor the quality of charter-granting activity.
- **Clarify and Cap Oversight Fees.** The confusing and overlapping charter oversight and facilities fees should be clarified according to the analyst. Specifically, the analyst recommends distinguishing between facilities fees and oversight fees. Facilities fees should be capped at two percent of a charter school's revenues and oversight fees should not exceed one percent, according to the analyst. The analyst also recommends disallowing school district's state mandate reimbursement claims for charter oversight.

The Analyst's recommendations correspond closely with those long-advocated by CharterVoice and CSDC staff. The Analyst's Office is a highly respected, non-partisan advisor to the Legislature. Its recommendations are generally regarded as highly credible and should provide a strong boost to current efforts to support charter schools in the current legislative session.

The full report is on line at the LAO web site:

HTML:

http://www.lao.ca.gov/2004/charter_schools/012004_charter_schools.htm

Adobe Acrobat:

http://www.lao.ca.gov/2004/charter_schools/012004_charter_schools.pdf

CSDC will offer a more detailed review of the LAO study in its upcoming issue of *Charter Currents*. For subscription information, call CSDC (916-278-6069) or e-mail (csdc@calstate.edu).

-Eric Premack

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