

Charter Schools III
99-TC-14

Education Code Sections 47605, subdivision (b), and 47635
Statutes 1998, Chapter 34
Statutes 1999, Chapter 78
California Department of Education Memo (May 22, 2000)

Test claim Filed: June 29, 2000
Reimbursement Period for this Estimate: July 1, 1999 through June 30, 2007
Eligible Claimants: School Districts and County Offices of Education
Statewide Cost Estimate: \$102,420
Adopted: September 26, 2008

The statewide cost estimate includes 8 fiscal years for a total of \$102,420. This averages to \$12,803 annually in costs for the state. Following is a breakdown of claims filed:

**TABLE 1. BREAKDOWN OF ESTIMATED
TOTAL COSTS PER FISCAL YEAR**

Fiscal Years	Number of Claims Filed with SCO	Estimated Costs
1999-2000	1	\$1,005
2000-2001	1	1,225
2001-2002	1	1,100
2002-2003	1	1,180
2003-2004	1	1,295
2004-2005	1	1,932
2005-2006	4	9,700
2006-2007	16	84,983
Total	26	\$102,420

Summary of the Mandate

The test claim statutes impose administrative duties upon school districts and county offices of education regarding charter schools.

The Commission on State Mandates adopted its Statement of Decision finding that the test claim statutes impose a reimbursable state-mandated program on school districts or county offices of education within the meaning of article XIII B, section 6 of the California Constitution and Government Code sections 17514.

The claimant filed the test claim on June 29, 2000. The Commission adopted a Statement of Decision on May 25, 2006, and the parameters and guidelines on December 4, 2006. Eligible claimants were required to file initial reimbursement claims with the State Controller's Office (SCO) by July 23, 2007, and late claims by July 23, 2008.

Reimbursable Activities

The Commission approved the following reimbursable activities for this program:

A. School Districts

1. *Findings on denial.* Upon denial of a charter petition, a school district makes written findings of fact to support one or more of the following findings: (1) the charter school presents an unsound educational program for pupils; (2) petitioners are demonstrably unlikely to successfully implement the educational program; (3) the petition does not include the required number of signatures; (4) the petition does not contain reasonably comprehensive descriptions, as specified in statute (Ed. Code, § 47605, subd. (b), amended by Stats. 1998, ch. 34).⁸ (*Reimbursement period begins January 1, 1999.*)

B. School Districts and County Offices of Education

1. *Transfer funds in lieu of property taxes.* Except for local educational agencies that charge fees under Education Code section 47613, subdivision (c), a school district or county office of education that sponsors a charter school must transfer funds in monthly installments to the charter school in lieu of property taxes (Ed. Code, § 47635, added by Stats. 1999, ch. 78). (*Reimbursement period begins January 1, 2000.*)
2. *Financial information.* For school districts or county offices of education that are chartering authorities, including the revenues and expenditures generated by the charter school in the school district's or county office of education's annual statement, in a format specified by the California Department of Education. (*Reimbursement period: May 22, 2000 through June 30, 2001.*)

Statewide Cost Estimate

Staff reviewed the claims data submitted by 18 school districts and compiled by the SCO. The actual claims data showed that 26 claims were filed between fiscal years 1999-2000 and 2006-2007 for a total of \$102,420.⁹ Based on this data, staff made the following assumptions and used the following methodology to develop a statewide cost estimate for this program. The Commission will report this adopted statewide cost estimate to the Legislature along with staff's assumptions and methodology.

Assumptions

Staff made the following assumptions:

1. *The actual amounts claimed will not increase for fiscal years 1999-2000 through 2006-2007 because July 23, 2008 was the last day to file late or amended claims for the initial reimbursement period on this program. Beginning in 2007-2008, reimbursement claims must be filed under consolidated parameters and guidelines for Charter Schools I, II, and III.*
2. *The SCO may reduce any reimbursement claim for this program.*
If the SCO audits this program and deems any reimbursement claim to be excessive or unreasonable, it may be reduced. Therefore, the total amount of reimbursement for this program may be lower than the statewide cost estimate.
3. *Costs for this program may increase if the number of charter schools increases, and the school districts that administer those charter schools file reimbursement claims.*

⁸ This activity does not apply to a county office of education.

⁹ Claims data reported as of August 7, 2008.

Methodology

Fiscal Years 1999-2000 through 2006-2007

The statewide cost estimate only includes fiscal years 1999-2000 through 2006-2007, because beginning in 2007-2008, reimbursement claims must be filed under consolidated parameters and guidelines *Charter Schools I, II and III*.

The statewide cost estimate was computed by totaling the 26 unaudited reimbursement claims filed with the SCO for these fiscal years.

Conclusion

On September 26, 2008, the Commission adopted a statewide cost estimate of **\$102,420** (\$12,803 in annual costs) for costs incurred in complying with the *Charter Schools III* program for the period of July 1, 1999 through June 30, 2007.