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STRENGTHENING CALIFORNIA'S CHARTER SCHOOL SECTOR: UPDATING AUTHORIZER FUNCTIONS AND FUNDING

DECEMBER 2025

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Strengthening California’s Charter School Sector: Updating California’s Charter School Authorizing Functions and Funding

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December 18, 2025

EXECUTIVE SUMMARY

California's charter school sector serves more than 725,000 students and relies on local school districts and county offices of education (COE) to authorize and oversee charter schools on behalf of the public. In recent years, however, high-profile cases of fraud and financial mismanagement have exposed serious vulnerabilities in the state's charter oversight system. These events have prompted renewed legislative and public scrutiny and underscored the urgent need to modernize California's approach to charter school authorizing.

This study by the CCAP, in partnership with the National Network for District Authorizing (NN4DA), examines California's charter authorizing system to inform state policy discussions about authorizer responsibilities, authority, and funding. The study identifies systemic gaps that undermine effective oversight and offers actionable recommendations to strengthen authorizing while preserving local control and charter school autonomy.

Purpose and Approach

The study had four primary objectives:

1. **Identify effective authorizing practices**, the full range of authorizer responsibilities across the charter school life cycle, from application review through renewal and closure.
2. **Assess challenges to effective authorizing to California**, including gaps in statute, policy, authority, and resources that limit authorizers' ability to prevent, detect, and address problems.
3. **Assess California's authorizer funding system**, with particular attention to how enrollment-based funding interacts with authorizer capacity, workload, and incentives.
4. **Offer policy recommendations** to strengthen accountability, align resources with responsibilities, and reduce weak or ineffective oversight.

To achieve these goals, the study employed a multi-method approach, including a literature review of historical and recent reports, a cross-state policy analysis, a survey of California authorizers, and in-depth interviews and focus groups with district and COE authorizers representing a range of sizes, geographies, and charter portfolios.

Key Findings

1. **Financial oversight weaknesses in California's charter system have been well documented for decades, yet the State has not enacted recommended reforms.** An array of audits and task force reports has pointed to serious and persistent vulnerabilities. California is not only vulnerable, but attractive, to bad actors. Historically, passage of even common-sense or technical measures in California has been impeded by political polarization and the tendency to encumber any charter legislation with provisions advancing wider pro- or anti-charter agendas.
2. **California's minimal codified authorizer standards and accountability result in widely inconsistent quality of authorizing.** The mismatch between the five basic authorizer duties in the Education Code and the actual work of authorizing leads to significant variation in local practice and poor outcomes. This is exacerbated by the lack of mechanisms to confirm performance of authorizing functions and intervene where authorizing is inadequate.

3. **Authorizers lack the unambiguous statutory authority and the tools needed for effective performance management and to fulfill other responsibilities.** California authorizers have limited tools to address concerns as they emerge, in calibrated but enforceable ways. California does not use performance contracts as other states do, instead making the charter petition the continued foundational legal document. In addition, California academic performance measures remain ill-suited for informing high-stakes decisions.
4. **The current authorizer funding system undermines effective oversight.** Many critical authorizing tasks receive no dedicated funding. Other tasks and costs are more event-driven than enrollment-driven. Some authorizers have inadequate resources for even minimal authorizing. Yet with some large schools, the system generates far more authorizer funding than is necessary for high-quality oversight, leading to misplaced incentives.
5. **Statewide technical assistance for authorizers remains uneven and fragmented and may not reach the authorizers that need it most.** The tools, trainings, and supports some authorizers receive have limited funding and require authorizers to dedicate precious time and resources. They also are entirely voluntary, unsupported by codified comprehensive authorizing standards or accountability mechanisms.

Recommendations

1. **Strengthen fiscal oversight in most of the ways set forth in Senate Bill 414 and Assembly Bill 84.** Together, these measures would provide a strong foundation for the changes needed to ensure fiscal integrity.
2. **Codify detailed authorizer standards in state law, aligned with policy and guidance, hold authorizers accountable for fulfilling these standards, and intervene when they do not.** Codifying a statewide set of authorizer standards—building on well-established state and national understanding of strong practices—and establishing an aligned authorizer accountability system focused on improving practice, would provide transparency, enable targeted technical assistance, and reinforce common expectations.
3. **Clearly establish more authorizer authority for charter performance management and intervention tools.** Use of charter performance contracts and a more incremental range of tiered intervention tools would create transparent, enforceable expectations aligned to improved authorizing standards. Strengthening authorizers' ability to measure and emphasize academic growth data in performance management tools, and clarifying oversight roles, would support timely and effective performance management.
4. **Revise the authorizer funding system to support currently unfunded authorizing tasks, ensure that every authorizer has adequate resources and capacity to fulfill its responsibilities as clarified, and eliminate over-allocation of resources and the associated negative incentives.** Capping the amount of funding that an authorizer receives based on any one school, and shifting the difference to a statewide pool to reinvest where funding is inadequate, would provide funding to ensure that quality authorization even of small schools by small districts—in a way that is revenue-neutral for the State and for charter schools.
5. **Strengthen and systematize supports for authorizers, aligned to authorizing standards, and ensure they are available to all authorizers.** Building a coordinated and universal authorizer support system, drawing from and strengthening existing assets, is essential to ensuring that all authorizers have the tools, training, and guidance needed to implement higher standards across a diverse range of school models.

Conclusion

California's charter school oversight challenges are not the result of isolated failures but of systemic misalignment among expectations, authority, and resources. Addressing these issues is essential to protecting students, safeguarding public funds, and maintaining public confidence in the charter school sector. Reform efforts focused solely on financial controls or audit requirements, while necessary, are insufficient on their own. By modernizing authorizer policy and funding structures, California can strengthen accountability while preserving the flexibility and innovation that charter schools are intended to provide.

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INTRODUCTION

This Study examines charter school authorizing in California to inform efforts to update state policy. It addresses current policies, funding systems, human resource considerations, and the full array of responsibilities and tasks that authorizers perform. It explores the dynamics of authorizing in California, including the impact of authorizer capacity on authorizing efficacy, and the variables in authorizers' context and circumstances that shape the challenges they face. This research is intended to help policymakers strengthen authorizing practices and improve outcomes in California's charter schools.

1. STUDY PURPOSE, METHOD AND STRUCTURE, AND RESEARCH PARTNERS

1.1 Purpose

California is engaged in extensive policy discussions about how to improve charter school oversight and accountability in the wake of high-profile cases of fraud, financial mismanagement, and self-dealing that revealed system vulnerabilities at all levels of governance and oversight.

This Study was conducted by the California Charter Authorizing Professionals (CCAP) in collaboration with the National Network for District Authorizing (NN4DA). (For more background on CCAP and the NN4DA, see the sidebar on "Research Partners.") The Study performs four tasks:

1. **Identifies Effective Authorizing Practices:** Systematically identifies and defines the full range of authorizing and oversight functions across the charter school lifecycle (from reviewing applications to closing schools), to establish a clear framework for high-quality authorizing.
2. **Identifies Challenges to Effective Authorizing Practices in California:** Reviews literature on and analyzes features of California's authorizing system that contribute to vulnerabilities to financial mismanagement and malfeasance.
3. **Assesses California's Funding System for Authorizing:** Evaluates the fiscal and human resources required to support effective authorizing, focusing on the adequacy of California's current authorizer funding system across different authorizing situations, including its alignment with actual workload demands and its influence on authorizer practices.
4. **Provides Policy Recommendations:** Offers actionable recommendations to strengthen California's charter school system by codifying expectations for authorizers, better aligning resource allocation to authorizing demands, and leveraging best practices in authorizing to reduce burdens on both charter operators and authorizers.

1.2 Study Methods and Structure

This Study uses a multi-method approach to analyze California authorizing, policy, and resources. The Study includes a literature review; analysis of partner districts; national cross-state policy analysis; as well as survey, interview, and focus group data from a diverse sample of authorizers.

Literature Review

The Literature Review examines prior research, policy documents from California and nationally, and information on high-profile cases, such as the A3 Charters fraud case, to provide context on authorizing shortcomings and national

trends that inform the Study's analysis and recommendations. The synthesis process involved thematic and comparative analyses to distill actionable insights.

The sources included in the Literature Review have illuminated systemic vulnerabilities in California's charter school oversight, including inconsistent standards and inadequate resources, as well as lessons from fraud cases and national policy comparisons.

National Analysis of Authorizing Policy

A national cross-state analysis of policies shaping authorizing and its funding draws from a dataset from the National Alliance for Public Charter Schools (NAPCS).

This analysis starts by discussing terminology used in California policy that differs from that of other states. California uses the term "oversight fee" instead of the more common "authorizing funding" to refer to the amount the authorizers receive to fund their work. California also uses the term "charter petition", rather than the more common "charter application." These differences in language reflect real differences in philosophy and approach that may impact policy debates, the design of related policies, and practice.

The analysis describes state policies and professional efforts to articulate and codify standards for authorizing practice. The analysis compares California's minimal policy language to more expansive approaches in other states, as well as to standards developed by professional experts in California that are not referenced or formally codified in state policy.

The Study compares California's authorizing resource allocations with those of other states, including those that also have many school district authorizers. In addition to overall funding levels, it describes state strategies to adjust authorizing resources based on different sizes and types of authorizers, as well as different sizes, ages, and types of charter schools, and funding for specific tasks, such as reviewing charter petitions.

California Authorizer Surveys, Interviews, and Focus Groups

CCAP initially administered a survey of authorizers to explore their authorizing resources and perception of the work. The survey's small response rate made it inappropriate to draw conclusions. Instead, survey results were used to define and explore concepts, terms, and issues of interest that then were used to inform the scope, design, and related protocols for subsequent focus groups and authorizer interviews.

These strategies relied on a purposeful sampling of authorizers of different sizes and included districts and county offices of education (COEs), as well as authorizers with varying charter portfolios. Interviews and focus groups of role-alike authorizers and groups of authorizers from different contexts were conducted via Zoom and allowed for open-ended conversations addressing key issues in authorizing identified in the survey. Different focus group structures generated insights into the challenges and strategies used by different types of authorizers to address similar challenges in a representative sample of authorizer types, sizes, and geographies.

The input from California authorizers revealed varying authorizing dynamics shaped by a combination of factors. These factors are described using six common authorizer scenarios, explaining how each factor can play out in different authorizing situations. These scenarios vary in the size of the authorizer, whether it is a district or COE, and whether it oversees a small portfolio of charter schools or a very large charter school.

These scenarios provide an analytical framework for exploring the dynamics affecting authorizer incentives, authorizer capacity, and the work required to address regular authorizing tasks, as well as less frequent events that affect the volume and complexity of authorizer work.

Analysis, “Takeaways,” Overarching Findings, and Recommendations

Observations from all data-gathering and analytical sections are summarized in *Takeaways* that conclude each section. The Study aggregates these Takeaways to identify common themes and challenges and to produce general, overarching findings. The Study concludes by using these findings to inform actionable policy recommendations.

1.3 Research Partners

California Charter Authorizing Professionals (CCAP)

CCAP is a nonprofit professional association for school districts and COEs acting in their capacity as charter school authorizers. CCAP was founded in 2013 to foster high-quality authorizing and provide support to local authorizers. CCAP and its founders supported and led the California Authorizers Regional Support Network (CARNet), funded by a 2015-17 federal Charter Schools Program (CSP), and then assumed that role upon the conclusion of that grant. Since then, CCAP has been funded by three successive CSP grants of its own that enable it to lead efforts to support authorizing in California.

CCAP develops, disseminates, and maintains a free online database of carefully vetted fiscal, academic, and governance oversight and monitoring tools for charter school authorizing practices. It also provides technical assistance, networking, and professional learning, including an annual statewide authorizing conference. In all of this work, CCAP draws on California's authorizing field, particularly the larger, leading authorizers, as well as on its own experience providing direct consulting services and on its experienced board of directors and staff. Through a strategic partnership with the Small School Districts' Association and in its work with the California Department of Education's (CDE) Charter Authorizer Support Initiative (CASI), CCAP offers a focused program to support small authorizing entities.

National Network for District Authorizing (NN4DA)

NN4DA is an independent, nonprofit organization dedicated to supporting state-based initiatives, such as CCAP, that work to strengthen charter school authorizing in their state. The NN4DA has partners in 9 states, which collectively involve more than 66 percent of the nation's charter school authorizers. The NN4DA is a resource hub and support structure that analyzes partners' pressing issues. It helps authorizers across states learn from one another and provides a national infrastructure to support the development and dissemination of materials that enable district authorizers to implement best practices.

2. THE WORK AND CONTEXT OF AUTHORIZING IN CALIFORNIA

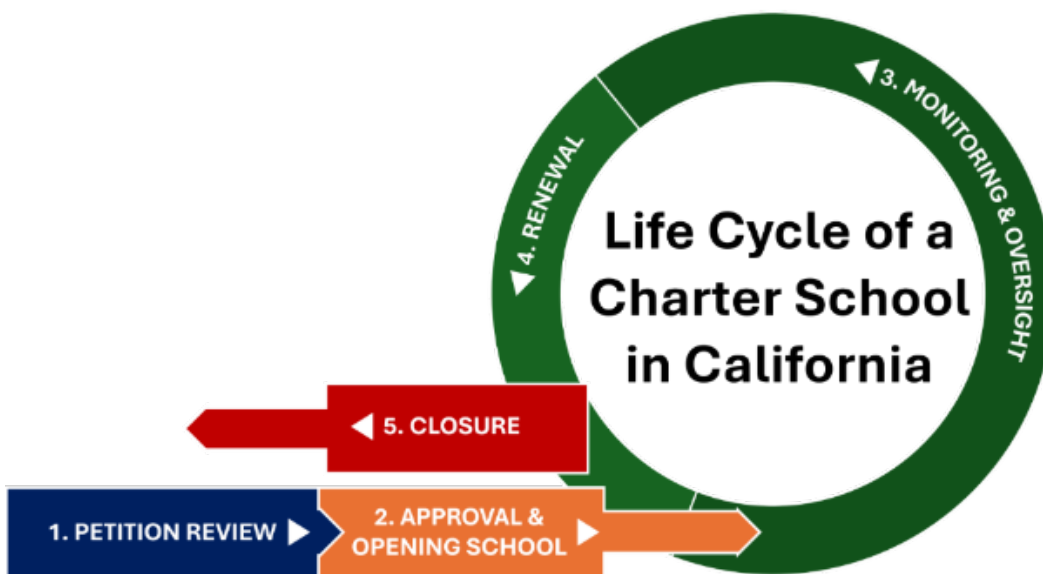
This section provides a brief background on charter school authorizing, challenges in California’s charter context, and recent cases of charter school fraud. It lays out a conceptual foundation for the following sections and gives background on the historical and contemporary factors giving urgency to the issues raised by the Study.

2.1 Authorizing work

Authorizer Responsibilities and Expectations

Authorizing is often misunderstood as merely approving a charter school proposal. However, the full range of authorizing responsibilities spans the entire charter school life cycle (Figure 2.1). Specific tasks include but are not limited to establishing policies and procedures before a founding group submits charter application, evaluating charter applications, developing contracts and memoranda of understanding (MOU), overseeing pre-opening activities, monitoring operations, verifying regulatory compliance, addressing issues that threaten public interests, determining whether a charter qualifies for renewal, and, when necessary managing closures that facilitate student transitions and protect public assets—including long after a charter school has closed.

Figure 2.1. The Charter Life Cycle



A comprehensive set of authorizing tasks balances rigor, accountability, and freedom. Charter schools receive greater autonomy in exchange for greater accountability. Nationally, authorizing standards articulate three core expectations of authorizers: first, to maintain rigor; second, to protect the interests of students and the public; and third, to safeguard the operational freedom that allows charter schools to innovate and succeed. As authorizer standards, practices, and reforms are established and implemented, policymakers and authorizers must always consider whether efforts to strengthen oversight and accountability achieve the desired results without imposing unmanageable administrative burdens on the authorizers themselves or diminishing the autonomy that charter schools need to innovate and succeed.

As detailed in [Appendix A](#), in collaboration with California and national authorizers and experts CCAP has identified more than 100 tasks that authorizers should be prepared to perform throughout the charter life cycle. These tasks include 43 best practices that occur before a charter school opens, or before California provides funding for authorizing work; 45 for oversight and monitoring of operating charter schools; and 16 for renewal and closure processes, including required post-closure work that will take place after the state no longer funds authorizing work.

As described in Section 3, compared to other states, aspects of California law and policy are significantly outdated and inadequate in their treatment of authorizers' responsibilities. The state lacks codified authorizer standards, and what policy language exists does not address many necessary authorizing functions.

Many states articulate and codify expectations for authorizer practice in authorizer standards. Often, state law outlines broad principles and operational standards, while related rules specify the details required to meet them. Other states' model standards are expansive, addressing the full range of core functions and the longer list of authorizing tasks described above.

California does have authorizer standards established by authorizing professionals that have not been codified in law and official policy. First, CCAP's predecessor entity, the Charter Authorizers Regional Support Network (CARSNet), released its [Proposed Guidance for Effective Charter School Authorizing in California: Values, Principles and Expectations](#) in 2017. In 2020, CCAP further articulated contemporary expectations for authorizers in its white paper, [CA2.0: Advancing Equity and Access Through Quality Authorizing](#). Under CCAP's operating philosophy, authorizers' work should be guided by four core charter performance questions:

1. Is the school's education program successful?
2. Is it financially viable?
3. Is it governed and operated effectively?
4. Does it advance equity and access by serving public policy purposes?

By addressing these questions, authorizers can confirm that charter schools meet the needs of California's students while aligning with state education goals.

2.2 Challenges to Effective Authorizing in California

California law requires every school district or COE to review any charter application it receives, and, if the application meets the requirements of law, to approve it. This requirement applies regardless of the authorizer's capacity or interest. In California, three additional challenges arising from state policy undermine quality authorizing. The details of these challenges—limited expectations, limited authority, and limited resources—are outlined in Sections 3, 4, and 5, respectively.

Expectations: California law defines only minimal procedural tasks for authorizers and lacks comprehensive standards for quality oversight. Many authorizers remain uncertain of what authorizing entails, and scant guidance and ambiguity lead many to fail to implement important elements of effective authorizing. Many other states, in contrast, establish and codify their expectations for authorizers in their quality authorizing standards.

Highlands Community Charter and Technical Schools

A June 24, 2025, performance audit by the California State Auditor documented that Highlands Community Charter and Technical Schools received more than \$180 million that the school could not document it was eligible to receive. This sum included \$177 million due to noncompliant instructional models and an additional \$5 million from misreported attendance across all its schools. The schools are challenging these findings, arguing they followed available guidance in effect at the time.

In addition to financial disputes, which may still be litigated, the audit found evidence of wasteful spending, nepotistic hiring and contracting, employment of improperly credentialed staff, and extremely poor academic outcomes, including graduation rates as low as 2.8%. According to the State Auditor, this extremely low graduation rate, combined with the schools' large enrollment, effectively lowers the statewide graduation average.

On the financial side, despite an earlier audit by the Fiscal Crisis and Management Assistance Team (FCMAT) in 2018 warning of mismanagement at the school, Twin Rivers Unified School District and the Sacramento County Office of Education (SCOE) failed to take corrective action. Twin Rivers continued to approve Highlands' charter renewals, and neither the California Department of Education (CDE) nor SCOE took action, allowing the charter to continue receiving funds despite red flags.

In California, it is not clear what obligations or authority districts and COEs have in situations like this. Neither type of entity is funded or empowered to serve as an investigative body **(continued)**.

A3 Charter School Scandal

The A3 Charter Schools fraud case represents one of the largest known misappropriations of public education funds in U.S. history, with prosecutors estimating that more than \$400 million was fraudulently obtained. The fraud occurred due to failures by three key parties: the governing boards of the charter schools themselves, the authorizers responsible for oversight, and the California Department of Education's (CDE's) apportionment payment system. The scheme centered on a network of online charter schools operating under the nonprofit "A3 Education." The operators fraudulently enrolled students and claimed funding for attendance that did not occur. Among other schemes, they enrolled students in short-term programs that qualified for full-year funding and cycled students through multiple affiliated schools to generate duplicate attendance claims. A3's fraud was systemic and multifaceted.

The scale of the fraud prompted a moratorium on new nonclassroom-based (NCB) charter schools, legislative efforts to enact reforms to California's charter school laws, increased scrutiny of NCB programs, and accelerated policy efforts to strengthen charter authorizers' fiscal oversight of schools.

While weaknesses among charter school governing boards and leaders and blind spots in state systems for tracking school funding by student also came to light, a critical contributing factor in the A3 scandal was the failure of authorizers—primarily small school districts—to provide effective oversight **(continued)**.

Continued - Highlands Community Charter and Technical Schools

Under California's minimal policy, it is not clear what a district or COE is obligated to do in many situations. Lacking clear direction, they are free to determine whether their actions are adequate.

This ambiguity also makes it unclear who at the state level may hold the districts and COE accountable, and for what.

Following the audit's release, the entire Highlands charter governing board resigned, and state officials initiated efforts to recover the \$180 million. State legislators announced renewed interest in legislative reforms to tighten oversight of nonclassroom-based (NCB) charter schools. News coverage by outlets such as ABC10 and KCRA emphasized mismanagement as to instructional time, staff qualifications, excessive travel, and insider contracting. The State Auditor recommended clarifying the responsibilities of charter authorizers, county offices, and the CDE; increasing transparency in charter oversight fees; and updating state audit guidelines to detect instructional and attendance-related violations better.

In contrast with the A3 case, which included a purposeful effort to defraud, the Highlands case arguably illustrates failures in the charter oversight system to verify the charter school's adherence to its charter and state law and regulations. In this situation, several levels of government considered it someone else's job to address what they viewed as potentially problematic activities in the schools. These patterns contribute to calls for general improvements in authorizer quality, as well as for additional financial changes.

Continued - A3 Charter School Scandal

Several districts authorized A3-affiliated charter schools despite lacking the capacity, resources, or diligence to monitor the schools' operations.

In many cases, these districts were geographically distant from the schools they authorized. These districts also relied heavily on oversight fees as a source of revenue for non-authorizing activities. A3 deliberately targeted such authorizers

These issues created perverse incentives to approve and retain questionable schools. Investigations revealed that some district officials approved charters with minimal scrutiny and failed to question inflated enrollment figures or suspicious financial arrangements. These governance lapses exposed systemic weaknesses in California's decentralized charter oversight model. In this case, some district administrators also faced criminal charges.

The nature of fraud in the A3 case was that of explicit criminal acts. The fraud strategies that were revealed have prompted calls for legal enforcement changes, such as CCAP's call for an education inspector general function and other whistleblower mechanisms.

Authority: Charter school authorizers in California lack legal authority and enforceable mechanisms to address problems that may arise, such as suspicions of financial irregularities or operational deficiencies that require timely investigation and correction. In other states, law and related policies better enable authorizers to hold charter schools accountable and to address predictable challenges. This deficiency leaves California vulnerable to problematic outcomes and inappropriate behavior by some charter school operators and hampers authorizers' ability to respond appropriately. The state's accountability system lacks clear measures of student growth that can inform charter school acceptability and inform authorizers' performance management strategies in many other states.

Resources: California's charter authorizer funding system has several problems. The State does not provide funding for certain essential authorizing functions that occur before schools open or after they close, such as application reviews or follow-up after school closure. National comparisons of authorizer funding, detailed in Section 4, and supported by input from California authorizers, explained in Section 5, indicate that California's authorizer funding can be inadequate. Authorizer funding is typically capped at one percent of a charter school's Local Control Funding Formula (LCFF) allocation, which is calculated based on the students enrolled at the charter school. California has many small authorizers, some of whom report they have too few resources to implement necessary practices. In addition, prosecutions by the San Diego County District Attorney (SDCDA) in the A3 Charter Schools fraud case called attention to the specific requirements of the Education Code establishing the authorizer funding rate and allowable district charge for oversight costs, versus what had been longstanding and widespread understanding and practice among authorizers and charter schools alike. An October 2020 San Diego County Superior Court order in the case ruled that authorizers may not simply assess their charter schools a flat fee of one percent, or three percent fee in the exceptional situations where the authorizer provides the charter school with a substantially rent-free facility. Instead, the authorizer must invoice for actual documented oversight costs, up to the one percent or the three percent limit.

Many authorizers of various sizes feel vulnerable to events at schools or authorizing issues that can greatly expand the required work and authorizing expense. Meanwhile, authorizers overseeing many charters can achieve economies of scale and create systems that enable them to fulfill all their authorizing obligations. In fact, authorizers of large non-classroom based (NCB) schools can receive authorizer funding that exceeds what is required for authorizing costs, creating perverse incentives for inadequate oversight and inappropriate activity. (Note: Under California law, NCB schools include schools at which up to 80% of instructional time is offered at a school site and/or under the immediate supervision and control of a credentialed charter school employee.)

2.3 Big and Small Authorizing Failures Create Urgency for Action

California has experienced major financial scandals involving some charter school operators and authorizers whose actions or omissions have violated the public trust. Challenges in smaller schools generate less statewide attention but still can have a profound impact on local communities. Small and large charter schools create different challenges for authorizing funding and oversight. For details on the distribution of different sizes of charter schools and authorizers, see [Appendix B](#), and [Section 3.4.2](#), p. 16-17, and [Section 4.7](#) p.36. These more frequent and less severe problems in performance, compliance, or public stewardship appear regularly.

The scale of high-profile scandals such as the [A3 Charter School](#) and [Highlands Community Charter and Technical Schools](#) (see sidebars above) has rightfully generated outrage and a sense of urgency for improving charter school authorizing. Huge charter schools generated too much authorizing funding, creating perverse incentives that led to scandal. The lack of clear standards and responsibilities may have contributed to an authorizer with adequate resources still failing to address school shortcomings.

At this point, California's policymakers would be prudent to assume that there will always be people willing to exploit any weaknesses in charter policy for untoward purposes at the public expense.

Meanwhile, some small brick-and-mortar charter schools generate too little oversight funding for their authorizer to engage in required oversight. And while California's authorizer funding system drives some of these challenges, this Study shows that the story is more complex.

3. LITERATURE REVIEW

3.1 Introduction

This Study began with a literature review of documents related to charter school authorizing in California. While a great deal has been written about charter schools in California, the scope of this review was targeted. This literature review begins with a summary of California's historical reports about charter schools and authorizing generally. That stream of studies provides context for the more in-depth description of recent reports specifically on charter school fraud and responses in California. The section closes with takeaways from this body of research and analysis.

3.2 California's Historical Reports Examining Charter Schools and Authorizing

California has a long record of reports on charter schools, starting just a few years after charter schools were established in law. Table 3.1 below provides key highlights of nine relevant reports. The authors of these reports included researchers and academics, state commissions, California stakeholders, and national and local groups with authorizing expertise, such as the National Association of Charter School Authorizers (NACSA) and CCAP.

Table 3.1. Studies of California Charter Schools and Authorizing

Reference	Purpose and Key Findings
<u>Charter Schools: Meeting the Challenge of Accountability</u> , “Little Hoover Commission” (Milton Marks Commission on California State Government Organization and Economy) (1996).	The Commission reviewed the early implementation of California’s 1992 Charter Schools Act. It examined whether charter schools were meeting goals of innovation and accountability. The report found strong community engagement and parental satisfaction, along with examples of fiscal efficiency and academic experimentation. It noted the absence of consistent school performance benchmarks and recommended that the State develop ways to evaluate results, strengthen oversight authority and ensure accountability for outcomes.
<u>Charter Schools Oversight Audit: Oversight at All Levels Could Be Stronger to Ensure Charter Schools’ Accountability</u> , California State Auditor (2002).	Statewide audit of four large authorizers, including document reviews, financial analysis, and site visits to 12 charter schools. Found authorizers lacked clear authorizing policies for financial and academic oversight; had not established processes for academic monitoring; inconsistently enforced state requirements (credentialing, instructional minutes, testing); did not track actual costs associated with authorizing funding; and risked double-charging the State. Found the State was not prepared to fulfill its oversight functions.
<u>Charter School Policy Taskforce Report</u> , Alameda County Office of Education, Superintendent Sheila Jordan (2005).	Requested by the Alameda County Superintendent to address conflicts between charter schools and districts. The report identified tensions in the law between fiscal oversight (AB 1200) and charter approval mandates, as well as conflicts over funding and facilities. It recommended that state officials review charter and district financing to achieve equity, clarify the purpose of the charter school program, and encourage collaboration through memoranda of understanding (MOU) between districts and charters.

<u><i>Making Sense of Charter Schools: Evidence from California</i></u> , RAND Corporation (2006) .	RAND summarized a decade of its own empirical studies on California charter schools. The report reviewed evidence on student achievement, enrollment patterns, and operational structures. It found that academic results were mixed, with some charters outperforming and others underperforming nearby district schools, and that outcomes varied by school type and maturity. RAND emphasized the need for accurate data systems and for continued evaluation of charter school performance.
<u><i>Smarter Choices, Better Education: Improving California Charter Schools</i></u> , Report #202, Little Hoover Commission (2010) .	The Commission reviewed statewide charter school performance and oversight. It concluded that while some charter schools were among the state's highest-performing public schools, authorizing was inconsistent and relied too heavily on the State Board of Education's (SBE) appeal process. Recommended creating a statewide charter authorizing board within the California Department of Education (CDE), developing model performance contracts between authorizers and schools, and allowing the SBE to grant or withdraw authorizing authority based on quality.
<u><i>California Charter Oversight: Key Elements and Actual Costs</i></u> , CRB 12-001, California Research Bureau (CRB) (2012) .	Mandated by statute (Ch. 650, Statutes of 2007-08), this statewide study surveyed charter authorizers about oversight activities and expenditures. It described key elements of oversight, best-practice standards, and actual authorizer costs. Findings showed that most authorizers spent more on oversight than the 1% authorizer funding provided by law and that practices varied widely. Recommendations included defining "best practices," improving transparency, and aligning funding with actual oversight costs.
<u><i>CCBE Charter Schools Task Force: Blueprint for Better Charter Schools through Better Charter Authorizing - CCAP</i></u> , California County Boards of Education (CCBE), (2016) .	The 2016 CCBE Task Force reassessed county board responsibilities as charter authorizers. It summarized issues drawn from prior CCBE reports and meetings and offered recommendations for improving charter review, policy, and operations. The document emphasized clarifying authorizer roles, ensuring consistent application review standards, and improving collaboration between county offices and districts.
<u><i>Time to Modernize Charter Authorizing in California: An Analysis and Recommendations</i></u> , National Association of Charter School Authorizers (NACSA), (2016) .	NACSA analyzed California's charter-authorizing landscape under its national quality standards framework. The report noted that over 90 percent of California authorizers oversaw five or fewer schools, producing uneven quality. It recommended reinforcing professional standards, improving state oversight and support for authorizers, and expanding options for high-quality authorizing entities. Found California's approach to measuring and reporting on education performance problematic because the state system does not report student growth or a state-level summative judgment on performance.
<u><i>Charting a Way Forward: Recommendations for Improving Charter School Outcomes and Accountability by Supporting Charter Authorizers</i></u> , California County Superintendents Educational Services Association (CCSESA) Charter Authorizers Task Force (2019) .	CCSESA Task Force, chaired by county superintendents, developed recommendations to strengthen authorizer capacity and consistency. The report's goal was to improve charter outcomes through better oversight. It called for enhanced training and statewide guidance, greater alignment among agencies, and improved systems to support fiscal and academic accountability.
<u><i>An Assessment of the Needs of California Charter Authorizers to</i></u>	Commissioned to identify how California charter authorizers could better support English Learners (EL), this study described the growing EL

These reports addressed many themes developed in this Study, demonstrating the enduring nature of some of the challenges facing California charter schools and their authorizers today. Major themes raised by these reports include the following:

- **Authorizer Standards:** Beginning with early recognition of limited state guidance, the California State Auditor (2002) and California Research Bureau (2012) found that authorizer expectations were not articulated, with the CRB finding no plans or inadequate expectations for either financial and academic oversight, and the California Research Bureau emphasizing the need to codify best practices and define professional standards for authorizers. NACSA (2016) expanded this approach by recommending the adoption of its *Principles & Standards* to professionalize and evaluate authorizers. CCSESA (2019) reinforced the need for consistent application of standards and for statewide training.
- **Charter Contracts, MOUs, and the Limits of Petitions for Oversight:** California State Auditor (2002) identified lack of means of measuring schools' progress toward academic goals, NACSA (2016), urged replacing petitions with data-driven, performance-based contracts, while CCBE (2016) supported standardized agreements to clarify roles and expectations. Alameda County's task force (2005) recognized California's unique approach to using the charter application, or petition, as the basis for performance management. The task force encouraged the use of MOUs to formalize district–charter relationships and reduce disputes. The Little Hoover Commission (2010) argued that petitions were inadequate for accountability and proposed bilateral performance contracts. NACSA called for improved mechanisms to manage performance management with state data that includes a credible measure of student growth. Charter contracts of the kind recommended by these organizations for California have evolved over time to reflect improved data. Recent efforts to streamline contracts also provide both charter schools and authorizers with clear, predictable, and transparent documents to guide accountability and to define roles.
- **Authorizer Evaluations, Sanctions, and Consequences:** The California State Auditor (2002) noted that the State did not oversee authorizers. The Little Hoover Commission (2010) proposed that the SBE gain authority to sanction or remove ineffective authorizers. CCBE (2016) later called for consistent criteria for renewal, denial, and revocation decisions. NACSA (2016) built on these ideas, recommending that authorizers be evaluated statewide against quality standards and that corrective action be taken for weak performance. This included earlier calls for a statewide authorizer.
- **Funding for Authorizing (Adequacy of the 1% / 3% authorizer funding rates):** The California State Auditor (2002) noted that authorizers did not document or justify their actual expenses for authorizing. Alameda County's task force (2005) noted that oversight demands exceeded available resources. The California Research Bureau (2012) reported that although 56.9 percent of authorizer survey respondents reported that they spent more on authorizing than they were reimbursed, it was unable to determine whether authorizers were receiving sufficient funding, as it was unable to gauge the costs of authorizing activities or determine the appropriate level of reimbursement for practices that were inconsistent among authorizers. The study concluded, "What is needed to determine if charter school authorizers are receiving sufficient funding is a full audit of authorizer oversight expenses and reimbursement revenue." (p. 97). CCSESA (2019) reiterated the need for sustainable state support and improved funding mechanisms to ensure quality oversight.

- **Fraud and Abuse in Independent Study and Virtual Schools:** The California State Auditor (2002) identified a risk of not tracking data to calculate funding and potential for double-funding students, or funding programs that were not appropriately credentialed or documented. The Little Hoover Commission (1996) identified early concerns about potential fraud and misuse of funds in independent-study charter schools, due to minimal oversight and attendance-based funding. The California Research Bureau (2012) later found that NCB and virtual schools were especially vulnerable to financial abuse and recommended stronger fiscal monitoring and audit protocols.
- **Measuring School Performance:** NACSA identified an issue that is relevant to discussions of performance contracts and charter school accountability addressed in Section 4. California’s approach to educational accountability for all public schools is based on a system reporting on multiple domains presented with holistic dashboards. This approach captures nuance, but it lacks student performance data prior to third grade and provides just a single measure at the high school level. The State also still lags behind other states for measuring student growth and providing a credible summative assessment of school performance. California law calls for authorizers to use the California School Dashboard to inform charter school renewal decisions. The dashboards, while rich in data for local improvement efforts and reflection, are not well aligned with use as a high-stakes school accountability tool. NACSA’s Principles and Standards call for the use of growth data, and NACSA’s 2016 study described this challenge and recommended changes that would allow authorizers to emphasize academic results, calling out the importance of measures of student growth.

3.3 Recent Reports on Charter School Fraud and Responses in California

After a series of scandals in California (see [Section 2.2](#) and [2.3](#), pp. 5-9), several groups and task forces were established to investigate the problems and make recommendations for improving oversight and transparency. This section summarizes and synthesizes three of these reports, which are more briefly highlighted in Table 3.2 below. This section then describes each report in detail, summarizes recommendations, and analyzes them to explore common recommendations and unique observations.

Statewide Authorizer: Over the past three decades, California has periodically considered the idea of creating a statewide authorizer. Early proposals—including the Little Hoover Commission’s 2010 recommendation to establish a statewide authorizing board within CDE—reflected concerns about uneven district authorizing and overreliance on the State Board of Education’s (SBE) appeal process. For a time, SBE functioned as a statewide authorizer of some charter schools. Ultimately, the State deliberately moved away from this model, reaffirming the principle of local control through a governance structure centered on local districts and COEs. Some charter advocates have continued to propose a new statewide authorizer; the possibility also was raised by the LAO and FCMAT for NCB schools, and one of the bills considered in the recently concluded legislative year, SB 414, included a little-noted and unelaborated statement of legislative policy supporting such an entity. In addition, policy makers and proposed legislation raised the possibility that some districts might be prohibited from authorizing NCB charters under certain conditions. Concerns were raised by CCAP and others that if the State were to restrict or remove district authorizing authority, it should do so in way that ensures that communities and charter schools and applicants should retain access to a high-quality authorizer, as determined not by arbitrary proxies like size but by the quality of authorizing practice.

Table 3.2. California Charter School Fraud Reports

Title	Background	Recommendations (Partial List)
<u>Review of the Funding Determination Process for Nonclassroom-Based Charter Schools</u> , Legislative Analysts' Office (LAO)/Fiscal Crisis and Management Assistance Team (FCMAT) (February 2024).	Jointly authored by LAO and FCMAT and required by Senate Bill 114. LAO and FCMAT staff brought expertise in fiscal accountability, charter oversight, and legislative policy evaluation.	Redefine NCB charter schools for funding purposes, align funding determination periods with charter renewal cycles, require charter networks to submit joint funding applications, and expand expectations for authorizers and improve authorizing practice.
<u>Protecting California Public Schools Against Fraud: The Charter School Sector & Beyond</u> , CCAP Anti-Fraud Task Force (May 2024; updated January 2025).	Developed by an Anti-Fraud Task Force convened by CCAP. Participants from FCMAT, law enforcement, and the charter sector, including experienced charter school authorizers, district and county office oversight staff, legal and fiscal experts, auditors, and representatives from charter school support organizations.	Create a standing Fraud Prevention Work Group, develop model policies for fraud risk management, conflict of interest, and board audit oversight, and create an education-specific Inspector General (IG) function with subpoena power.
<u>Audit Best Practices for Detecting and Curtailing Charter School Fraud</u> , Multi-Agency Charter School Audits Task Force (SCO Charter School Audits Task Force), (September 2024).	Produced by a multi-agency task force led by the California State Controller (SCO) and convened pursuant to a San Diego County Superior Court Order. The task force included representatives from the SCO, the CDE, FCMAT, county offices of education, school district representatives, authorizers, and independent auditors.	Included detailed guidance on audit execution, including requiring disclosure of large transactions, mandating related-party audit procedures, and new rules for CPA firm discipline and performance monitoring.

3.3.1 Common Findings and Recommendations

Each report has its own focus and explores different issues in depth. The key highlights of each report are summarized below. However, among their expansive individual findings, all three reports share common recommendations focusing on financial oversight. They recommend that California:

1. Strengthen oversight of charter schools and of their authorizers;
2. Improve charter auditing practices; and
3. Increase transparency in financial relationships.

Collectively, these reports recommend that California:

1. Create comprehensive fraud reporting systems and guidelines for how to receive and address suspected problems;
2. Tighten Certified Public Accountant (CPA) firm qualifications for performance of charter school and district audits;
3. Implement mandatory rotation of audit firms; and

4. Adopt more rigorous tracking of average daily attendance (ADA) and enrollment data.

This table compares repeated recommendations across the three reports:

Table 3.3. Major Recommendations of the Three Fraud Report

Recommendation Theme	LAO / FCMAT	CCAP	SCO Audit Task Force
Stronger Oversight of Charter Schools and Authorizers	✓	✓	✓
Improved Charter Audit Practices	✓	✓	✓
Transparency of Financial Relationships and Vendors	✓	✓	✓
Student Enrollment and ADA Verification	✓	✓	✓
Audit Firm Qualifications and Rotation	✓		✓
Fraud Reporting Hotlines and Intake Guidance, including creating an Education Inspector General Function		✓	

3.4 LAO & FCMAT 2024 Report: Summary of Recommendations

3.4.1 Recommendations for Charter Authorizing

The report discusses authorizing in general, as well as authorizing issues related directly to NCB charter schools. The report recognizes that efforts to address financial fraud require stronger authorizing practices in general to provide a foundation for changes in financial oversight. Findings and recommendations are summarized in Table 3.4 below.

Table 3.4. LAO/FCMAT Findings and Recommendations Related to Authorizing, Charter Audits, and Transparency

Findings	Recommendations
Authorizer Oversight (General Authorizing)	
<ul style="list-style-type: none"> • Oversight from authorizers can be lacking. • Authorizer funding may not be sufficient to support quality oversight. • The State has few requirements for authorizers. • Relatively small school districts authorize many NCB charters. • Relationships between authorizing school districts and charter schools can be contentious. • Relationships with COEs can be more collaborative. 	<ul style="list-style-type: none"> • Increase minimum requirements for authorizers. • Set limits on district authorizers based on district size and grade level. • Allow higher spending on authorizing activities. • Consider an alternative authorizing structure for virtual schools, such as a separate state authorizing agency or continued local authorizing but combined with a new agency with expertise in virtual programs.
Charter School Audit Requirements	
<ul style="list-style-type: none"> • Audits did not follow standard audit sampling procedures. • Existing audits do not review or report enrollment and attendance records in depth. 	Enhance the audit process for charter schools: <ul style="list-style-type: none"> • Ensure charter audits conform to school district audit standards.

<ul style="list-style-type: none"> • Auditors generally lack authoritative training and knowledge of NCB charter school operations. • The state audit guide does not establish materiality levels for charter schools. 	<ul style="list-style-type: none"> • Ensure the audit guide addresses compliance sampling. • Develop materiality levels for charter schools. • Require supplemental enrollment and ADA schedules by track. • Require disclosure of changes related to enrollment and ADA. • Improve audit quality through targeted auditor training.
Transparency and Conflict of Interest	
<ul style="list-style-type: none"> • Many observers point to a relative lack of transparency about operations and organizational relationships in the charter sector. 	<ul style="list-style-type: none"> • Require charter school audits to disclose publicly the same information collected on the funding determination form. • Require disclosure of related organizations.

3.4.2 Problematic Authorizer Incentives and Authorizing Funding Rates

The report's analysis described the frequency of small school districts authorizing NCB schools with dramatically higher enrollment than the district's own schools, as shown in Table 3.5. In California, enrollment and funding are linked to Average Daily Attendance (ADA). According to the report, 14 districts authorize NCB charters with enrollments at least 10 times greater than their own schools' enrollments. These schools account for 37 percent of the state's NCB students. Table 3.5 is taken from the report and illustrates the scale of NCB schools and the size of their authorizing districts. For additional analysis of related dynamics, see [Appendix B](#), and [Section 3.8](#), p. 25 for more on the numbers related to students, schools, and authorizers in California charter schools.

Table 3.5. Several Small School Districts Authorize a Large Share of NCB Charter School Average Daily Attendance (ADA) (2023-24).

Combined NCB ADA Relative to Authorizing District	Number of Districts	Total NCB ADA	Share of NCB ADA
More than ten times the district's ADA	14	70,038	37%
Between one and ten times the district's ADA	24	33,913	18%
Less than the district's ADA	113	83,990	45%
Totals	151	187,941	100%
<i>Note: Excludes NCB charter schools authorized by the SBE and county offices of education (LAO/FCAMT, p.17).</i>			

The report concludes with a call to address finance and other changes systematically, rather than solely through changes to financial oversight. It specifically recommends improving the funding determination process for NCB charter schools. To manage financial fraud, the State should improve enrollment tracking and the quality of authorization in general. The report explains:

“The funding determination process is not an effective approach for ensuring that charter schools are complying with state laws and preventing issues of fraud and misappropriation of funds. The process relies on other aspects of the system to be working effectively,” (LAO/FCMAT, p. 23).

The report reiterates the need for California to adopt a systemic approach to improving authoring quality by explaining:

“Changes to the funding determination process, however, likely will not address broader charter school oversight issues that have resulted in cases of fraud and misuse of public funds. To address these broader issues, the Legislature will want to consider changes related to the State’s system of oversight for charter schools.”

3.4.3 LAO/FCMAT Recommendations to Reform the Funding Determination Process

To address problems with some charter schools receiving more funding than their programs and enrollments might justify, the report recommends the following actions:

1. Narrow the definition of NCB charter schools to exclude schools providing most instruction in-person.
2. Use multiple years of expenditure data (not just one year) in making NCB funding determinations.
3. Align NCB funding determination periods with charter renewal timelines and codify in statute how long a state-determined funding level applies to NCB schools (the SBE determines what percentage of Average Daily Attendance-based state funding an NCB charter school is allowed to receive, and for how long this determination lasts, by considering the school’s expenditures, student-to-teacher ratio, and certain mitigating circumstances. If the determination changes during the charter term, a school may face financial challenges.)
4. Require networks that operate as a single system to submit applications for NCB funding determinations together.
5. Require CDE to conduct additional reviews of data submitted with applications for NCB funding determinations and notify schools at risk of noncompliance.
6. Exclude one-time funds from instructional spending thresholds to avoid distortions in audit calculations.
7. Use an existing state methodology (“Current Expense of Education”) to measure certificated staff spending.
8. Modify the approach to reserves used in evaluating funding levels.
9. Require that student-to-teacher ratios and instructional spending thresholds appear in audits.

3.4.4 Recommendations on Audits and Transparency

To improve transparency and the effectiveness of audits, the report makes the following recommendations, which align with those of the SCO report:

1. Require charter audits to include a set of procedures regarding the following:
 - a. The 25 largest payments or transfers to outside organizations, and all transfers over \$50,000;
 - b. Student-to-teacher ratio and related instructional thresholds; and
 - c. Composition of the governing board.
2. Require disclosure of related organizations (e.g., CMOs or vendors with financial ties) and apply Financial Accounting Standards Board (FASB) compliance rules for material relationships.
3. Require auditors to report month-to-month enrollment or ADA change of over 5% to CDE.
4. Require enhanced K-12-specific training for certified public accountants conducting school audits—suggests 24 hours every two years.

3.5 CCAP Anti-Fraud Task Force Report: Summary of Recommendations

CCAP convened an Anti-Fraud Task Force in 2023 in response to the [A3 scandal](#). The Task Force participants represented a broad array of stakeholders across the charter sector and law enforcement, including district and county authorizers, district attorneys, fiscal oversight specialists, charter leaders, charter and authorizer attorneys, auditors, and representatives of FCMAT. The goal was to identify concrete steps that charter schools, authorizers, and state agencies could take to prevent, detect, and respond to fraud.

The task force conducted a structured inquiry process that included reviewing past fraud cases, analyzing audit findings, consulting with fiscal and legal experts, and drawing on national best practices. The group also surveyed authorizers to understand their current practices and identify pain points related to financial oversight. The resulting report, [Protecting California Public Schools Against Fraud: The Charter Sector and Beyond](#), was designed as a practical, field-informed blueprint for improving charter school fiscal accountability, with an emphasis on self-help at the local level. It emphasized that many of these practices were appropriate not just for charter schools but for all LEAs. The report's recommendations address three challenges:

1. Preventing and detecting fraud;
2. Intervening when fraud occurs; and
3. Systemic state changes to support local anti-fraud efforts.

Among other things, the report discusses:

1. **Financial Oversight and Internal Controls:** Implement systematic fraud risk management, including segregation of duties, consistent monitoring, and robust fiscal documentation practices, to ensure effective financial management.
2. **Governance and Conflict-of-Interest Policies:** Mandate disclosures, enforce recusal procedures, and improve governing board-level financial transparency.
3. **Whistleblower Protections and Enforcement:** Establish anonymous reporting mechanisms, fraud hotlines, and clear referral protocols to appropriate agencies.

The report attempts to balance rigor and practicality, while acknowledging the resource limitations many authorizers face. It offers scalable solutions, such as a standardized checklist of red flags and sample board policy templates. Recommendations for each report section are summarized below.

Challenge 1: Preventing and Detecting Fraud (pp. 12–23)

1. Require adoption of a Fraud Risk Management Program by all charter schools, LEAs, CMOs, and authorizers;
2. Adopt more robust conflict of interest policies for governing boards;
3. Adopt a board policy on audits to strengthen fiscal oversight;
4. Provide periodic training on fraud prevention for boards and senior leadership;
5. Review vendor relationships for conflicts and red flags, especially for CMOs, including financial arrangements during oversight, and establish clearer criteria for when a charter school is deemed part of a CMO;
6. Scrutiny of sole statutory member relationships where an entity essentially has very broad authority over the charter school;
7. Require posting by charter schools of all relevant information from charter school governing board meetings;
8. Require charter school back-office providers to adopt an integrity policy; and

9. Provide free training to charter schools and the larger public school and law enforcement systems to support detection, investigation, and prosecution of fraud in public education.

Challenge 2: Getting Help When a Fraud Concern Arises (pp. 24–30)

1. Create intake guidelines for authorizers and LEAs handling fraud reports;
2. Implement fraud reporting hotlines for LEAs and authorizers;
3. Promote fraud prevention and reporting systems by all LEAs and CMOs;
4. Develop guidance for reporting suspected fraud with contact details for relevant agencies; and
5. Establish a standing Fraud Prevention Work Group to monitor trends and coordinate response.

Challenge 3: System Improvements – Beyond Best Practice (pp. 31–38)

1. Establish a dedicated Inspector General (IG), or an IG function, for public education;
2. Create a centralized data system to track student enrollment in real time;
3. Establish a single, consistent set of criteria for Independent Study for all public schools;
4. Establish a process for an authorizer to request of county superintendent to review a charter school's expenditures and internal controls;
5. Fund training in the adoption and implementation of Fraud Risk Management Programs; and
6. Implement fraud prevention requirements for back-office providers, including liability protection for those who comply.

3.6 SCO Charter School Audits Task Force: Summary of Recommendations

The SCO report is narrowly focused on charter school audits. It addresses who should conduct audits, auditor rotation and changes, auditing best practices, and details of reporting and obstacles to effective monitoring. The SCO recommendations are outlined below.

1. CPA Firm Authorization, Qualifications, Training, Evaluation, and Compliance with K-12 Audit Guide

1. Require stricter qualification and compliance standards for CPA firms approved to audit LEAs, including LEA-specific training and documentation of LEA-related experience;
2. Require continuous professional education with a focus on K-12-specific auditing, LEA fraud risks, auditor independence, and other aspects of K-12 education auditing;
3. Revise the Education Code to improve SCO oversight and enforcement mechanisms for CPA firm performance and audit guide compliance, including SCO reviews after a CPA's first LEA audit;
4. Revise Education Code to create mechanisms for removing underperforming or noncompliant CPAs from the directory, and support improved SCO management of the CPA directory; and
5. Strengthen peer review procedures for auditing firms to ensure that the peer has experience with LEA financial statement and compliance audits and that an LEA audit is included in the peer review.

2. CPA Firm Selection, Rotation, and Late Report Notifications

1. Require mandatory rotation of CPA firms after a specified number of years to reduce familiarity risks;
2. Require LEAs to notify the SCO of CPA selection and rationale;
3. Require notification of late audits and explanations for delay; and
4. Revise the Education Code to ensure communication from CPAs to oversight agencies is not constrained by confidentiality requirements.

3. K-12 Audit Guide Recommendations

1. **Related Parties:** Add a new related-party section to the audit guide, with procedures specific to charter schools for identifying, evaluating, and reporting on related-party transactions;
2. **Communication:** Require auditors to consult with charter authorizers to gather information on fiscal strengths, compliance risks, fraud concerns, and irregularities relevant to the audit;
3. **Audit Sampling:** Clarify that auditors independently select samples, expand sample sizes (especially for NCB attendance), ensure multi-track and network schools are sampled appropriately, and require representative program samples;
4. **Consolidated Charter Schools:** Require “dependent” charter schools consolidated in a district or county office audit to be audited as if they were a major fund, ensuring each school’s transactions are adequately examined;
5. **Confirmations:** For NCB schools, add steps requiring auditors to confirm enrollment and attendance with parents, guardians, or adult students directly;
6. **Determination of Funding:** Require audit procedures to verify that NCB charter schools submitted funding determination requests to CDE, obtained SBE approval, and are complying with the significant terms of the approved determination; and
7. **Example Audit Reports:** Add example audit reports for school districts and charter schools that incorporate best practices and meet audit reporting requirements.

4. Audit Report Disclosures

1. **Consolidated Charter School Disclosures:** Require charter schools consolidated within a district or county office to present each school’s financial data separately in the supplemental audit report.
2. **Related Party Disclosures – Workgroup:** Convene a working group to establish clear and consistent related-party disclosure criteria for all LEAs.
3. **Related Party Disclosures – Report Content:** Mandate annual audit reports to disclose charter/CMO board and management, loans between related schools, shared employees, the top five highest-paid employees (with compensation details), and the top 25 highest-paid vendors, including authorizers and affiliates.
4. **Determination of Funding:** Require funding determination data to be disclosed in audit reports annually.
5. **Enrollment and Attendance:** Add separate audit schedules showing enrollment and attendance changes (beginning, added, transferred, and departed students) by track and by month.

5. Implementation Obstacles and Monitoring

1. **Legislative Action:** Most recommendations will require legislative change.
2. **Budgetary Resources:** Implementation will need additional state funding and personnel; approval through the state budget process is essential.
3. **Local Cost Impact:** LEAs, charter schools, authorizers, and county offices will incur added costs; reimbursement may occur through the State’s mandated cost provisions, though this process can take years.
4. **Stakeholder Consensus:** Differences among agencies and stakeholders on how to mitigate fraud without overburdening schools, auditors, and oversight agencies must be reconciled.
5. **Audit Guide Rulemaking:** Any changes to the K-12 audit guide must pass through its working group and the Education Audit Appeals Panel’s rulemaking process before adoption.

3.7 Analysis: Financial Implications Raised in the Literature

Across the fraud-related and other historical reports described above, five consistent themes emerge concerning problematic dynamics and incentives under California policy. Several of these themes relate to authorizer funding:

1. California's Education Code provides an inadequate definition of authorizer responsibilities, duties, and authority;
2. Some authorizers approve and oversee schools to generate authorizer funding, which they then apply to non-authorizing needs;
3. Enrollment-based authorizer funding models are vulnerable to manipulation, especially in virtual and independent study charters;
4. State and local agencies lack sufficient responsibility, authority, and capacity to investigate and prosecute fraud promptly; and
5. Even after mismanagement was confirmed, some authorizers in California have not pursued corrective action.

3.7.1 Authorizer Funding Does Not Match Costs: The Current System Can Incentivize Authorization of Large Charter Schools, While Underfunding Authorization of Small Charter Schools

The State's authorizer funding system generates a considerable amount of total authorizer funding. A 2025 analysis by CDE's School Fiscal Services Division reported that California's charter sector receives more than \$9 billion per year. Assuming a 1% authorizer funding rate, this sum provides more than \$90 million for annual authorizing work statewide.

However, as described in detail in Sections 4 and 5, the State's system for funding charter school authorizing does not provide funds for the full range of authorizer activities, including required authorizing tasks before charter schools open and after they close. In addition to these limitations, two of the anti-fraud reports, as well as other documents in this literature review, suggest that specific incentives in California's authorizer funding system compromise the quality of authorizing. According to these reports, some districts have a financial incentive to approve charters to generate the authorizer funding, regardless of the charter's quality. Fees are typically 1% of revenue but may be as high as 3% if the charter school uses district facilities. A ruling by the San Diego County Superior Court in the A3 case clarified that funding relate to schools using district facilities should not be treated as authorizing revenue.

In cases like [A3](#), these dynamics contributed to small districts with limited oversight capacity authorizing dozens of schools, some of which were very large. Authorizers also can be disincentivized from scrutinizing or revoking charters where this might jeopardize revenue. These perverse incentives, combined with inadequacies in state law, lax oversight by the district, and inadequate fiscal controls over funding for attendance at the state level, have contributed to an environment in which large-scale fraud went undetected for years. Table 3.6 illustrates the amount of funding a large charter school can generate relative to a small authorizer's own schools.

Table 3.6. Scenario of Large Charter School ADA

Scenario 1: Small authorizer with one large charter school	Students (ADA)	Funding (assuming \$15,000/Student)	1 percent fee	1 percent fee as percentage of district budget
Charter School	5,000	\$75,000,000		
Authorizing District	200	\$3,000,000	\$750,000	25.00%

Together, these reports are aligned in calling for better regulatory alignment, stronger financial controls, and restructured funding mechanisms and controls at the state level to ensure that authorizers prioritize quality and accountability over financial self-interest.

3.7.2 Authorizer Funding Constraints for Small Charters

The reports also identify problems with oversight of small charter schools whose size results in insufficient funding to support quality authorizing. Tables 3.6 and 3.7 illustrate two scenarios in which authorizer funding varies wildly based on the enrollment of the charter schools. The state system for determining the precise amount of money each school receives is complex. In both cases, for this analysis, the funding per ADA is set at \$15,000, an approximation of the funding often available to charter schools.

Table 3.7. Scenario of Small Charter Schools

Scenario 2: Small authorizer with 3 small charter schools	Students (ADA)	Funding*ADA (assuming \$15,000/Student)	1 percent fee	1 percent fee as percent of district budget
Charter School 1	50	\$750,000	\$7,500	0.25%
Charter School 2	150	\$2,250,000	\$22,500	0.75%
Charter School 3	200	\$3,000,000	\$30,000	1.00%
Authorizing District	200	\$3,000,000		

In Scenario 1, a small authorizer with 200 students in its own schools authorizes a large charter school serving 5,000 students. In Scenario 2, the same small district authorizes three small charter schools, each with enrollments of 50 to 200 students, for a total of 400 students.

In Scenario 1, a 1% authorizer funding rate generates \$750,000 in authorizer funding, equal to 25% of the district's own budget. At a 3% authorizer funding rate, which is the exception, it would generate \$2.25 million, equal to 75% of the district budget. Expert authorizers interviewed for this study describe both these amounts as excessive for the required work (see Section 5). These additions to a district budget can create obvious incentives to authorize a weak or even ethically-concerning school and keep it open, regardless of student outcomes or impropriety.

In Scenario 2, a 1% authorizer funding rate generates funding from each school ranging from \$7,500 to \$30,000, which equals 0.25% to 1% of the district's own budget. Collectively, the three charter schools' enrollment generates a fee of 2% of the district's total budget. With a 3% fee (which is extremely unlikely in a small district with few buildings), each charter generates funding of between 0.75% to 3% of the district's budget, and together 6% of the district's budget.

As authorizers describe in Section 5, funding in this range is inadequate to cover the expenses of appropriate charter school oversight. If the district were forced to fund oversight for each school solely from the revenue that a single school generated, it would be incapable of providing even basic oversight for the smallest charter school. For example, if the district in Scenario 2 had authorized only the first charter school, the resulting \$7,500 would be too little to fund even minimal oversight.

Authorizers in interviews and focus groups discussed the minimum funding required for a district to fulfill its responsibilities as a quality authorizer when overseeing only one charter school. They explained that circumstances can affect what this amount would be, such as the impact of previous scandal, the presence or absence of existing district systems that can perform or complement authorizer work, or problematic events or behavior at the charter school. These caveats aside, authorizers and experts reported ranges of between \$30,000 to \$40,000 as the minimum required

in most circumstances to implement practices that align with recognized national standards of authorizing practices and that account for all the tasks an authorizer is obligated to perform throughout the charter school life cycle.

This simultaneous overfunding and underfunding of authorizing work create a paradox.

- Because of its scale, a small school is more vulnerable to challenges that require authorizer action. However, its small scale also results in less funding to support adequate oversight.
- At the other extreme in scale and funding, small district authorizers overseeing large NCB charter schools can receive so much money from authorizing, especially relative to their own small budgets, that they have an incentive to avoid rigorous oversight. The possibility of excess funding and the authorizer's incentive to engage in lax oversight create opportunities and motives for bad-faith actors to engage in fraudulent or inappropriate activity.

3.8 Authorizer Scale in California

The dynamics described above are substantively important because of the number of students, schools, and authorizers involved in the state's largest and smallest charter schools. California's over 334 authorizers' portfolios differ dramatically in the number charter students and charter schools. See [Appendix B](#) for more analysis of these issues.

California Authorizing by the Numbers: Small and Large Charter Enrollments

Charter School Size

For the 2024–25 school year, the California Department of Education (CDE) reports 1,276 California charter schools enrolling 727,723 students. There are 330 total authorizers, of which 285 are school districts and 44 are county offices of education (COE). The State Board of Education (SBE) is exiting the role but still oversees some schools.

The mean charter school enrollment is about 570 students. The median enrollment is 398. While most charter students are in small or medium-sized charters, a small number of large charter schools raise the average enrollment. The ten largest charter schools serve 5,000 or more students, for a total of 71,325, 9.8 percent of the state's total charter enrollment. This is more than the combined enrollment in the state's smallest 400 charter schools. Seventy-one charter schools enroll fewer than 100 students, and 245 schools serve fewer than 200. At the other extreme, 23 schools serve more than 3,000 students. Fourteen authorizers oversee portfolios with fewer than 100 students, and 27 oversee portfolios with 101 to 200. 73 authorizers oversee charter schools enrolling more than 2,000 students.

Many large schools are nonclassroom-based (NCB) charter schools, including those operating as networks that collectively serve equally large numbers of students.

Most California authorizers oversee very few charter schools. More than two-thirds of authorizers (67.5%) oversee one or two charter schools, while fewer than 5% oversee more than ten charter schools. 154 authorizers oversee one charter school, collectively enrolling 77,873 students; 68 authorizers oversee two charter schools. At the other end of the spectrum, 15 authorizers oversee 11–50 charter schools—and LAUSD alone oversees 254 charter schools, with 171,486 students.

The two findings regarding small and large charter schools suggest that structural reforms to California’s authorizing funding system are necessary to ensure all authorizers can and will fulfill their responsibilities, regardless of charter school portfolio size. While appropriate funding for authorizing is a necessary but not sufficient component of quality oversight, these reports ultimately observe that authorizers of small schools tend to need more resources and those of large schools tend to need less.

3.9 Takeaways

3.9.1 Anti-Fraud Recommendations

Recent instances of major fraud and other misuse of funds, including events surrounding the A3 and Highlands Charter and Technical Schools networks, have focused California’s attention on charter school authorizing. The scale of these cases has generated urgency to improve authorizing now. These expensive scandals mirror previous challenges. Several historical studies outlined many of the findings and recommended changes reiterated in this report. The current urgency provides a new opportunity to change policy and practice to better address these long-standing shortcomings and vulnerabilities in California’s charter authorizing context.

Several recent task forces involving a range of stakeholders and experts have studied California’s cases of financial fraud and related aspects of authorizing and financial oversight. The reports all find that the state lacks clarity regarding many aspects of legal and financial oversight that require action.

The reports provide an extensive list of recommendations designed to address clearly identified needs in the state, including in law and enforcement, to help prevent, discourage, identify, and address financial fraud.

To address fraud directly, multiple reports recommend that California enhance audit protocols, restructure oversight funding, and tighten legislative controls to ensure charter authorizers fulfill their responsibilities and have the necessary authority to do so.

3.9.2 Authorizer Standards

California lacks clear standards for charter authorizers that are adopted in policy. The State needs regulatory alignment, stronger financial controls, and restructured funding mechanisms to ensure that authorizers prioritize quality and accountability over financial self-interest.

Creating and applying authorizer standards across all aspects of authorizing will improve financial oversight, reduce the risk of fraud, and strengthen the State's ability to identify and address fraud.

3.9.3 California’s Authorizer Funding System

California’s system for funding charter school authorizing does not provide funds for the full range of authorizer activities, including required authorizing tasks before charter schools open and after they close.

The authorizer funding system does not address the extraordinary costs authorizers can incur in engaging with charter schools facing serious problems and other events that increase the work and costs of authorizing.

The authorizer funding system underfunds oversight of small charter schools, despite their vulnerability to operational and budgetary challenges related to their scale. Small charter schools are likely to generate insufficient funding for the authorizer to implement adequate oversight where they are not part of a larger portfolio of authorized schools.

The authorizer funding system overfunds some authorizers, especially when small district authorizers oversee large NBC charter schools. These overfunded authorizers have incentives to spend a portion of their oversight fee on activities other than authorizing, despite the court’s ruling in the A3 case that the funds must be spent only on authorizing functions. This can disincentivize rigorous oversight, contributing to the state’s exposure to fraud. The school's large scale and budget exacerbate this vulnerability.

Underfunding and overfunding authorizing generates problems that require structural reforms in funding formulas to address all authorizing challenges.

4. CROSS-STATE ANALYSIS OF POLICY

This section analyzes policies from other charter states and compares them with California's. The section begins with a discussion of terms used in charter school law and how California's use of the terms "oversight fee" and "charter petition" differs from other states. These differences may be more than semantic: they may affect policy debates and influence aspects of policy and implementation in California. The section then provides an analysis of two key aspects of charter law, both of which are relevant to current Californian policy, and that vary significantly across states:

1. *Articulating and codifying expectations for authorizing practices; and*
2. *Determining how much funding authorizers have to support their work and how this funding is adjusted for various circumstances and events.*

Forty-six states, the District of Columbia, Guam, and Puerto Rico currently have enacted charter school laws. Over 30 years, charter policy has evolved as states learned lessons and adopted and modified policy language from other states. The California Charter Schools Act was only the nation's second charter statute when first enacted in 1992, and it has not been revised as significantly or as frequently as the initial charter laws of many other states. Consequently, important details of its charter law differ from those of most other jurisdictions.

4.1 Differences in Policy Terminology

States often vary in their legal terminology. Different terms can reflect local priorities and philosophies. Or, in some cases, these differences are more a matter of semantics and local usage, including when they simply employ or emulate terminology used by that state in other laws and policies. Either way, in some cases differences in how an issue is framed in codified language can affect how topics are defined and matters discussed, often favoring one perspective over another in policy debates and in the policy design.

As states have revisited their charter laws, many have updated terms to reflect evolving approaches in other states. For example, some states use the word "sponsor" instead of "authorizer," arguably implying a focus on supporting and/or housing charter schools, rather than strictly performance management. Several states subsequently amended their original charter laws to change "sponsor" to "authorizer," reflecting language that better conveys the expectations for authorizers and their roles.

California uses the term "oversight fee," while most other states use "authorizer funding." And in California, proposals for new charter schools are called charter "petitions," while in other states they are called charter "applications."

This report uses the terms "authorizer funding" and "charter applications." As explained below, these terms are aligned with those of most other states, conceptually support quality authorizing functions, and more fully encompass authorizers' responsibilities.

4.1.1 Authorizer Funding vs. Oversight Fees

"Authorizer funding" describes the resource allocations from the authorizer's perspective, while an "oversight fee" frames the generation and use of funding as a transaction from the school's perspective. The words "oversight" and "fee" are problematic in the way they imply who pays and what they pay for. The words implicitly define the charter school as a client and the purpose and scope of work as only oversight. The concept of "authorizer funding" more accurately reflects the purpose, the "client," and the full scope of the authorizer's work.

When other states use the term “oversight,” they are describing the authorizing function of monitoring compliance. Monitoring compliance is only one piece—albeit an important one—of a broader set of functions that quality authorizers must perform throughout the charter school life cycle. These functions are described in [Section 2.1](#), pp. 4-5, and outlined in [Appendix A](#).

Most oversight only happens while a charter school is operating and serving students. Oversight is much more limited before the school opens, and it does not take place after the school closes. “Oversight” also fails to capture many obligatory authorizer functions, including developing policy, evaluating applications, supporting charter schools, renewing charters, managing school closures, and serving students afterward. In contrast, the term “authorizer funding” reflects the need for funding for charters that never get approved or opened—and thus never generate funding for authorizing. It can also capture work related to a charter that no longer exists. In other words, it better reflects the work in all the stages of the charter school life cycle.

A “fee” that the charter school pays to its authorizer implies that the money is the school's money that is paid to the authorizer for a service that the paying school receives—framing authorizing as a zero-sum transaction where the cost of oversight comes at the school’s expense and, perhaps, arguably should be spent serving that school. This framing invites the school to view authorizer funding that does not support interactions with it on monitoring compliance or providing services as the district “misspending the school’s money” on authorizer needs and/or on other charters. This is reinforced by California’s current determination of funding for authorizing work under the Local Control Funding Formula (LCFF), which is based on the enrollment, attendance, and educational characteristics of the students in the operating charter schools that the authorizer oversees.

Most states instead refer to “authorizer funding.” Under this framing, authorizers are performing their functions on behalf of students, families, and the broader public. The revenue is a state funding stream intended to pay for all of the functions that a quality authorizer is obligated to perform under the state policy—work that is essential to the charter school itself and to the wider charter school sector, as well as to broader public interests. Schools are not the clients of authorizing; rather, a charter applicant, a charter operator, and a closed charter school are all subjects of the authorizing. Given the broader interests of districts and COEs, an authorizer may be called upon to act to fulfill its obligations to broader community interests, rather than acting in the interest of the charter school. Authorizing work is thus funded in parallel to the funding the charter school receives from the state to operate the school, not “taken from the school.”

4.1.2 Charter Petitions vs. Applications

California describes the document used to seek a charter as a “petition.” Authorizers consider the application document a “petition process,” and those submitting the document as “petitioners.” In contrast, most states, as well as state and national authorizing standards, refer to “applications,” an “application process,” and “applicants.”

The framing of a “petition” implies a political act by a group of citizens, connoting an exercise of the right to compel a governmental entity to consider and, hopefully, address a topic or concern. The petitioners may also advocate for a course of action.

An “application” suggests a technical approach to the charter proposal and, more directly, conveys review and quality control. The term “application” more clearly implies that a proposal will be evaluated on its merits, in accordance with the technical criteria required for approval.

In California, an approved petition continues to have implications going forward. It is treated as the foundational charter document and given legal (contractual) standing, sometimes augmented by a memorandum of understanding (MOU) between the school and the authorizer. Other states treat the application review and approval as a preliminary step in a process, followed by the drafting and negotiation of the charter performance contract, which becomes the school's foundational document and the basis for charter school accountability.

Describing the application as a “petition” increases the weight assigned to the details of the document and may impede authorizers’ effort to apply consistent standards to charter school performance or behavior across all charter schools. California differs from most charter states by relying on the charter applicants’ proposal to determine what to hold the school accountable for achieving and doing.

In other states, charter schools and authorizers do not rely on the original charter application for accountability metrics or important accountability purposes. Rather, accountability is embodied in a separate charter contract from the authorizer referencing what state law requires and codifying what the authorizer expects. In some cases, depending on a school's unique approach, the performance contract may include metrics that the applicant initially proposed that reflect their school's performance, consistent with state law. But the charter application essentially is an application to receive the charter, i.e., the performance contract. Performance contracts typically emphasize performance outcomes and compliance expectations that are narrowly defined and relatively standardized, creating a more predictable, transparent, and reliable set of expectations to drive charter accountability. They also describe each party's roles and responsibilities, including what the charter school can expect of the authorizer. Performance contracts may also identify the intervention processes that will be used to address any shortcomings that arise at the school. These can include additional reporting requirements, improvement plans, or limitations that authorizers can place on the school until issues are resolved, such as stopping enrollment growth.

This approach to accountability protects the state from charter schools that may propose inadequate or incomplete expectations in their application, or from provisions in the application that are problematic but may not alone rise to grounds for rejecting the application, especially under the limited criteria for rejection provided under California Education Code. It also protects a charter school from an arbitrary interpretation by an authorizer of ambiguous or aspirational language in the original application to justify taking an adverse action against the school.

In these states, after the authorizer approves the charter application, it prepares the performance contract based on state expectations for all schools, its own expectations, and, if applicable, a limited set of material provisions from the charter application. Policy in other states varies regarding whether both the charter applicant and its authorizer must agree on material contract provisions or even use pre-determined contract language codified in state policy. Regardless of this variation, the applicant does not unilaterally design its own accountability provisions or metrics. Other aspects of the charter application, such as descriptive or illustrative narrative or aspirational language that are not material aspects of the charter are not included in the contract. Excluding items from the material provisions of the performance contract allows both parties to focus on the requirements the charter school must meet to earn renewal. These contracts address educational outcomes, compliance with law, and fiscal and operational competence and integrity.

4.1.3 Change Language to Help Change Approach

California's unique terms and the associated framing can influence or shape how policy is designed and debated. They may provide strategic advantages to charter schools, and they undermine the state's ability to have systematic approach to quality authorizing. As stakeholders try to apply sound tools and strategies developed elsewhere that use other language, California's terminology muddies the water, reducing clarity and consistency. Transitioning California policy

language to the approach used in other states by adopting the terms “Authorizer Funding” and “Charter Applications” would better capture the work of authorizing, inform future policy debate, and drive changes in implementation.

4.2 Policy Articulating and Codifying Authorizer Standards

Despite the complexity of high-quality authorizing, California law expressly obligates authorizers to conduct only five procedural tasks (California Education Code § 47604.32):

- (1) Identify at least one staff member as a contact person for the charter school.
- (2) Visit each charter school at least annually.
- (3) Ensure that each charter school under its authority complies with all reports required of charter schools by law, including the local control and accountability plan and annual update to the local control and accountability plan...
- (4) Monitor the fiscal condition of each charter school under its authority.
- (5) Provide timely notification to the department if any of the following circumstances occur or will occur with regard to a charter school for which it is the chartering authority:
 - (A) A renewal of the charter is granted or denied;
 - (B) The charter is revoked; and
 - (C) The charter school will cease operation for any reason.

4.2.1 Other State Examples of Expectations

Many states have officially codified more detailed expectations for authorizers to meet. A few states, like California, have standards developed by professional experts but so far have not specified or codified expectations in law or policy.

This study compared a sampling of state authorizing standards from nine states: California, Colorado, Florida, Georgia, Indiana, Michigan, Minnesota, Ohio, and Tennessee. Generally, these state standards share the following elements:

- Clear performance-based accountability expectations
- Transparent and rigorous application processes
- Detailed contracting requirements
- Ongoing oversight and monitoring responsibilities
- Defined renewal and revocation criteria
- Conflict of interest and governance safeguards
- Organizational capacity and professionalism of authorizers
- Annual or biennial authorizer evaluations
- Use of public reporting and transparency tools
- Legal foundation in policy, rule, or statute
- Focus on equity and access

The states’ versions of standards are tailored to their state laws and contexts. Each state’s approach to codifying authorizer expectations responds to the way charter schools have developed in that state. Still, they generally share a similar approach that is aligned with the [Principles and Standards for Quality Charter School Authorizing](#) from the National Association of Charter School Authorizers (NACSA). They do vary in how much detail they include from the

NACSA's version. For example, Georgia's state standards are less detailed than NACSA's, but the state covers many details that are aligned to NACSA's standards in its state authorizer evaluation. The state standards and their links are listed in Table 4.1 below. They also vary in whether and how authorizers are evaluated and if they face consequences for poor authorizing practices.

Table 4.1. State Authorizer Standards and Links

State	Document Title and Source
California	Proposed Guidance for Effective Charter School Authorizing in California: Values, Principles & Expectations (CARNet and Alameda County Office of Education)
Colorado	Standards for Charter Schools and Charter School Authorizers (1 CCR 301-88), Colorado State Board of Education
Florida	Principles & Standards for Quality Charter Authorizing (Florida Department of Education)
Georgia	Georgia Principles and Standards for Charter School Authorizing (Georgia Department of Education)
Indiana	IN Code § 20-24-2.2-1.5 (2024), codifying NACSA Principles & Standards
Minnesota	MACSA Principles & Standards for Quality Authorizing (Minnesota Association of Charter School Authorizers)
Michigan	Recognized Best Practices for Authorizing (Michigan Council of Charter School Authorizers)
Ohio	Quality Community School Sponsor Practices Review (Ohio Department of Education)
Tennessee	Tennessee State Board of Education Policy 6.111, Quality Charter Authorizing Standards (Tennessee State Board of Education)

Policymakers in some states avoid detailing specifics in law, reinforcing expectations by reference and using statutes or regulations to point to related mechanisms, such as state board rules and procedures.

Some states, in addition to California, have professional standards created by expert stakeholders. In some of these states, the professional standards are later referenced in law or policy. In particular, they are often integrated into state systems to evaluate authorizers.

In other states, like Florida, many aspects of authorizer practice, including the specific language for charter contracts, are spelled out in state statute rather than in more general authorizing standards.

Some states evaluate each authorizer's capacity and performance against their standards, or they review and approve new authorizers before they begin operating. The results of authorizer evaluations can inform appeals or charter applicants' access to alternative authorizers. In some states, authorizers not meeting authorizing standards are prohibited from approving new schools or removed entirely as authorizers. In all these cases, charter applicants and schools retain access to alternative authorizers that do meet state authorizing standards.

Other states' use of authorizer evaluation underscores a key principle: setting clear authorizer standards is the foundational step—everything else follows from articulating expectations. Some recent legislative proposals in California have contemplated incorporating authorizer performance reviews into fiscal and operational audits, but evaluation must

extend beyond compliance checks and finance. Effective systems begin by identifying gaps, then providing structured support and capacity-building, and finally applying intervention tools only when needed. If California adopts authorizer evaluations or applies consequences to authorizers that do not meet standards, the State should:

- Define expectations first;
- Use evaluation constructively;
- Clarify when support, technical assistance, or monitoring are appropriate; and
- Reserve consequences for persistent, unresolved failures.

Authorizer standards in other states describe a charter school accountability system that uses academic performance frameworks that emphasize state measures of student growth. In contrast to these states, California does not provide a statewide growth measure that authorizers can apply consistently across schools. States with more mature authorizing systems rely heavily on growth metrics to evaluate school effectiveness, reduce burdens on authorizers, and ensure that expectations are predictable and transparent for operators. California's lack of such data complicates performance management and makes it more difficult for authorizers in the state to replicate widely adopted national models.

4.2.2 California's Approach to Authorizing Standards to Date

Professional experts in California have created a comprehensive, holistic set of authorizer standards that are designed around California's unique charter context and that consider authorizers' work throughout the charter life cycle. [*Proposed Guidance for Effective Charter School Authorizing in California: Values, Principles and Expectations*](#) was created in 2017 by the Charter Authorizers Regional Support Network (CARSNet) which was housed in the Alameda County Office of Education and which incorporated input from many of the experts who played significant roles in both CARSNet and CCAP.

Since 2017, CCAP has created a suite of materials and guidance to refine further the expectations for high-quality authorizing—and how authorizers can meet them. While the State of California has not developed or officially codified additional standards, CCAP, in partnership with school districts, county offices of education, and the CDE through its California Authorizer Support Initiative (CASI), has worked across the state to increase the understanding of what it takes to perform high-quality authorizing in California.

CCAP provided additional clarity on its aspirations for professional practice in a 2021 white paper, [*Authorizing 2.0: Advancing Equity and Access Through Quality Authorizing*](#) proposes four core charter performance questions that CCAP believes should drive authorizer oversight and monitoring:

1. Is the charter school's education program a success?
2. Is the charter school financially viable?
3. Is the charter school operating and governed effectively?
4. Is the charter school advancing equity and access by serving the purposes outlined in public policy?

4.2.3 The Tasks of Quality Authorizing

Answering and acting upon these four core questions requires significant authorizer work. To detail this work, CCAP and NN4DA convened authorizers to develop a comprehensive list of tasks modern authorizers perform and tools to assist authorizers in assessing them. Compared with California's five tasks codified in law, the comprehensive list includes 47 items related to best practices recommended before a charter school opens, 46 items related to oversight and

monitoring of all charter schools, and 19 items related to renewal and closure, for a total of 112. A full list of these tasks and considerations is presented in [Appendix A](#). In other states, the total number of tasks is higher. If California adopted authorizer standards and implemented practices found in other states, the total number of tasks on the current list would increase.

4.3 State Policy Determining Authorizer Funding

State charter school laws often include provisions that specify the authorizer funding rates that are allowed or required. These have been summarized in a dataset created and maintained by the National Alliance for Public Charter Schools (NAPCS). Part of the following analysis is based on a 2022 version of the dataset downloaded from the NAPCS website.

4.3.1 Non-District Authorizers Funding Sources

The type of authorizer can shape the funding authorizing system. Higher Education Institutions (HEIs), Independent Charter Boards (ICBs), and State Education Agencies (SEAs) may have funding allocations identified in annual state appropriations, or these institutions may allocate staff and resources from their home agency's larger state budget. Three states use annual appropriations to HEI or ICB authorizers earmarked for their authorizing function. Five states refer to each state agency's larger budget as the source of funding for their authorizing work.

4.3.2 States without Codified Authorizer Funding Systems

Fourteen states have no guarantee of authorizer funding in state law. The actual practice of these states varies. In states like Pennsylvania, many districts are authorizers, and there is no legal basis for districts to withhold any funding from charter schools for authorizer functions. At the other extreme, in Wisconsin the "instrumentality" charter schools operate as schools of the district, and they are guaranteed no money by state law. Practice in Wisconsin varies, but the authorizing district is free to retain as much funding as it chooses, undermining a key aspect of the charter concept.

States without a codified authorizer funding system risk having little or no resources for authorizing or too much for authorizing while underfunding charter schools.

4.3.3 Prescriptive Authorizer Funding Systems

In most states, funding for authorizing is determined as a percentage of the charter school's available funding. It is noteworthy that the base amount available to charter schools in each state varies, and that charter schools' access to all funding streams available to district-operated schools in that state is dictated by state charter law and the state school finance system. For this analysis, authorizer funding is compared as a percentage of that state's charter school total funding.

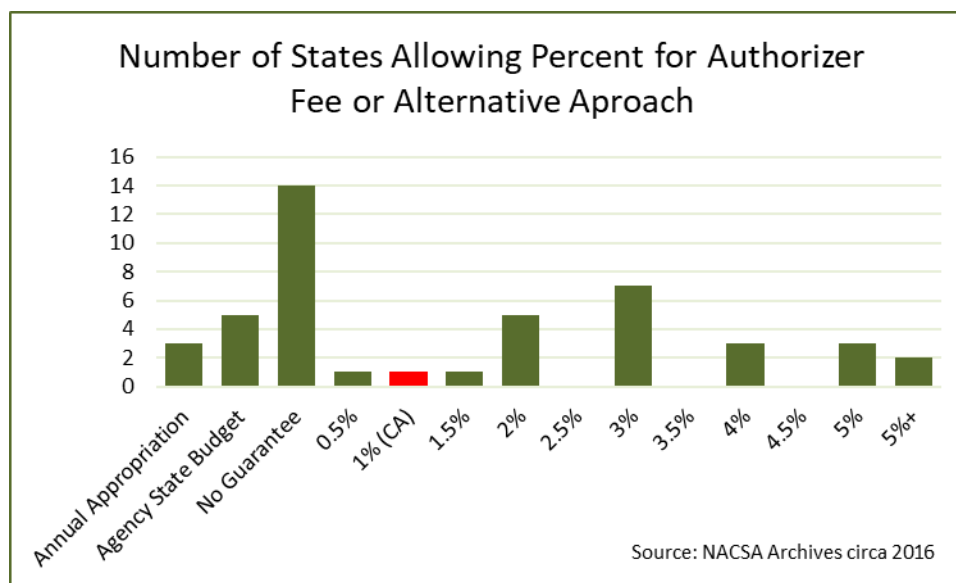
In 23 states, state charter law specifies the percentage of funding that the authorizer may withhold to support its authorizing work. These systems generally designate the percentage of all of the public funding a charter school receives. States designate amounts ranging from 0.5% to more than 5%.

Two states allow extremely large amounts in some circumstances. Oregon allows up to 20%, and Colorado allows up to 15% for small rural districts, although in practice, these high rates are rarely used.

California's typical 1% rate, applied in most cases, is lower than those in all other jurisdictions that have limits except the District of Columbia.

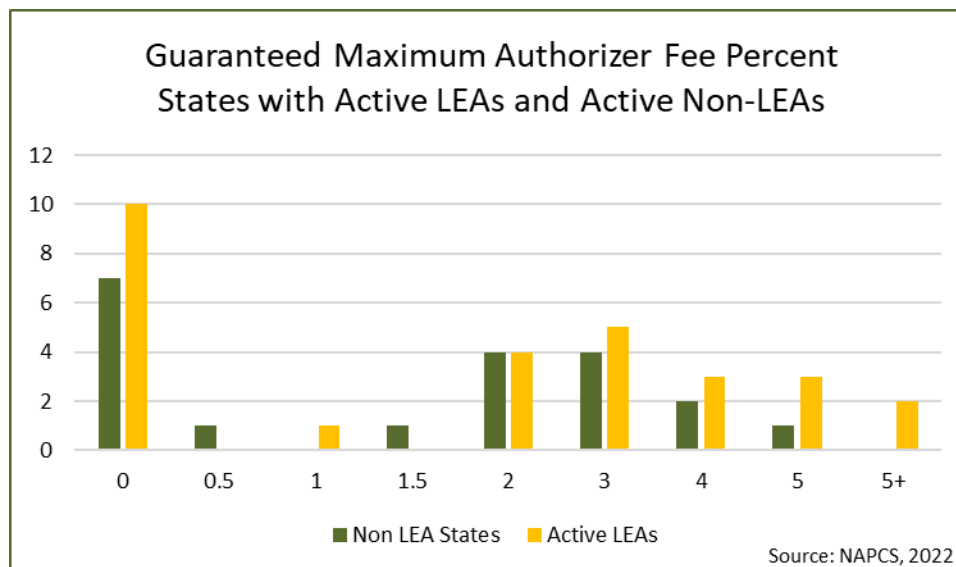
Among the 23 states, the modal authorizer funding rate is 3%, which is shared by seven states, and the mean percentage is over 4% when two states with extremely high allowances in rare circumstances are included. The mean rate is just over three percent after excluding those two anomalous states. The distribution of these fee rates is presented in Figure 4.1.

Figure 4.1. Distribution of states by percent of authorizer funding or alternative systems



Some states have active district authorizers, while others have different types of authorizers. Ignoring that some states have both district and non-district authorizers (and counting such states twice), Figure 4.2 presents the allowable authorizer funding structure for states based on the types of active authorizers. The figure shows that states with active district authorizers are more likely to have no guaranteed funding, as indicated by 0% in Figure 4.2, with seven non-LEA (i.e., district authorizer states), while 10 LEA authorizer states fall in this category. In contrast, there is a slight skew toward higher allowable percentages in states with active district authorizers when some percent of guaranteed funding is dictated in state policy.

Figure 4.2. Authorizer funding in states with LEA authorizers and non-LEA authorizers



4.4 States with Conditional Rates

Six states have policies that allow authorizers to differentiate their authorizing funding rates or total amounts based on the circumstances of the charter schools they oversee or in the district. Variation across the six states is based on the district enrollment, charter school enrollment, charter grade levels served, charter school performance, and the charter schools' years in operation. A seventh state, Washington, reports a "sliding scale," but its law is unclear about how this operates.

1. **Colorado:** Up to 15% of district per-pupil revenues for districts with 500 or fewer students, up to 5% for all other districts. Up to three percent for ICB-charter schools.
2. **Florida:** Up to 5% for schools with up to 250 students and 2% for larger schools. Up to 2% for high-performing charter schools. Up to 5% for virtual schools.
3. **Nevada:** Up to 2%; after the first year of operation, a school may request a reduction in the fee to not less than 1% if the school meets the requirements of state law.
4. **Oregon:** As high as 20% for K-8 schools and 5% for high schools.
5. **Tennessee:** Lesser of up to 3%, with a maximum of \$35,000 per school.
6. **Utah:** HEI may charge up to 3% for the first two years and up to 1% thereafter.

Comparisons to other states' funding are difficult given potential variation in expectations linked to authorizer standards, and to differences in state policy that affect the work of overseeing public education in all schools. California charter operators and other stakeholders report that the State's regulation of all public education is greater than in other states. Despite the autonomy that charter schools receive, these observers argue that California's charter schools remain subject to an overwhelming amount of regulation. Authorizers are responsible for overseeing much of this regulation, but California also suffers from uncertainty about which entities are responsible for overseeing all of the applicable regulations. It is beyond this study's scope to determine how policy reflects these widely held perceptions. It would also be difficult to design a cross-state analysis that could compare the amount of deregulation charter schools receive in charter laws while controlling for variation in each state's base level of education regulation.

These variations may reflect the expected variation in the amount of work charter schools in different circumstances generate for authorizers. For example, Florida allows districts to retain up to 5% of the charter school's funding for the first 250 students, and up to 2% for larger schools and high-performing schools. Presumably, the district faces similar work overseeing any charter school with 200 students. The amount of work required to oversee a charter school with 2,000 students may differ, but the cost of authorizing does not increase linearly with school size.

Florida's policy assumes that a successful school is easier to oversee than a low-performing school. When authorizers implement best practices, it is reasonable to assume they must expend more resources to track things more closely and they may need to initiate tiered interventions to address challenges in a lower-performing school. These activities require more staff time, generating more authorizer expense.

Tennessee caps authorizer funding for any single school at \$35,000, removing any incentive to approve larger schools and assuming that there is little or no difference in the cost of overseeing a small or large charter school. Neither Florida nor Tennessee allows the district to charge larger schools substantially more than small charter schools.

Nevada varies its authorizer funding rate based on a charter school's year of operation, assuming there is more work for the district in a charter school's first year than in subsequent years.

Colorado's approach, under which the allowed authorizing funding rate varies according to district's total enrollment, may reflect the assumption that larger districts have more efficient systems than small districts enjoy. It also reflects the reality that smaller districts may be more affected by charter schools overall, because a single school can represent a larger proportion of the district's total enrollment, and thus a larger share of its total budget.

4.5 Fees for Reviewing Charter Applications Outside California

Three state charter laws allow charter school authorizers to charge fees to charter applicants for reviewing charter applications. Summaries of each provision from the NAPCS [state policy dataset](#), allowing authorizers to charge for reviewing applications/petitions, are below.

1. **Arizona:** "State law allows authorizers to charge a new charter application processing fee to any applicant, which must fully cover the cost of application review and any needed technical assistance. It also allows authorizers to approve policies that allow a portion of the fee to be returned to the applicant whose charter is approved. The law allows the Arizona State Board for Charter Schools to charge a processing fee to any charter school that amends its contract to participate in the Arizona Online Instruction program." The current fee in Arizona is \$6,500.
2. **North Carolina:** "The law also requires the state board of education to establish reasonable fees of no less than \$500 for initial and renewal charter applications." The current application fee is \$1,000.
3. **Tennessee:** "Tennessee law allows LEAs to charge applicants an application fee in an amount approved by the local board of education, not to exceed \$2,500 per application."

4.6 Funding for Activities Supporting Charter Schools

Many authorizers provide support to charter schools that is not directly related to authorizing. Support can include assistance that COEs provide to all schools in their jurisdiction, including charter schools, such as county-wide professional development programs. Authorizing entities also can provide services that are unique to supporting charter

schools, like managing procurement and other "back office" functions. Some of these support services are provided on a fee-for-service basis.

In California, COEs provide some support to charter schools using funding from the state system that funds all their work with schools and districts that is not related to charter status. This cross-state analysis did not explore how state policies vary in how they address funding support services for charter schools. The State also provides COE with additional funding for each charter school in the county as an LEA in the county's service area.

4.7 Funding to Help Authorizers Strengthen Practices

Many states have active initiatives that support authorizers in implementing best practices and meeting state authorizing standards. This support is provided by authorizer associations, like CCAP, as well as by State Education Agencies (SEA), like through the CDE's CASI, and by other governmental entities, in California including COEs.

In many cases, authorizer support is funded by the U.S. Department of Education's Charter School Program (CSP), through grants to State Entities (SE) and National Model Development and Dissemination (NMD) grants. Initiatives to strengthen charter school authorizing are part of SE grantee initiatives to create supportive state systems that help charter schools open and thrive. Specific efforts to strengthen authorizing are often written into SE grants, and most NMD grants include programming designed specifically to improve authorizing. In all these grants, CSP funds cannot be spent directly on authorizing activity but can be used to support authorizers and to develop materials, resources, and tools. CCAP has participated in NMD grant-funded activities in partnership with NN4DA and is now collaborating through NN4DA on a new national NMD grant. CCAP also has participated with the CDE on SE grants, in partnership with large authorizers like the Santa Clara County Office of Education, the Los Angeles County Office of Education, and the San Diego Unified School District.

Several approaches could be combined in some way in California to address the funding policy concerns. For example, the total funding allocated to one authorizer based on the LCFF of any single charter school could be capped at a maximum amount, removing a potential incentive to approve or renew a very large but poorly performing or problematic NCB charter school. The balance of funding calculated under the same LCFF formula beyond the maximum allocated to the authorizer could instead be made available to support unfunded authorizing tasks for authorizers statewide. This split approach could use strategies from several other states to remove incentives to approve or maintain large problematic schools, while also establishing a state pool of funds for unfunded activities such as helping authorizers of very small portfolios, petition reviews, district obligations after charter closure, or authorizer work addressing charter schools in crisis—all at no additional costs to charter schools.

4.8 Takeaways

Policy from other states offers tools and strategies that California could apply to its goals for charter schools and charter authorizing. Examples of alternative policy tools include addressing the framing of authorizing funding and charter applications; the articulation, codification, and application of authorizing standards; and the mechanics of authorizing funding. States also have various strategies to provide authorizers with professional development, including through partner organizations.

4.8.1 Terminology

The terminology in charter laws can affect current and future charter debates, implying a specific approach to issues that can shape policy details.

Some states have revisited charter laws to update their language, for example, changing the term “charter sponsors” to “charter authorizers” to reflect the differences in the concepts of sponsorship and authorizing.

California uses terms different from most states. California uses "oversight fee" instead of "authorizer funding" and "charter petition" instead of "charter application."

These terms create a framing for both issues that affects current and future debates in ways that do not align with some aspects of best practice in charter school authorizing.

Treating the application as a petition supports the state’s approach of relying on the charter applicants’ proposal to determine what to hold the school accountable for achieving and doing. In all other states, rather than deferring to what the applicant has proposed it be accountable for, authorizers use a separate charter contract that reflects requirements of state law, what the authorizer expects and what the applicant proposed.

4.8.2 Authorizer Standards

California lags other states in officially defining expectations of charter school authorizers. There is consensus in the research literature and in practice nationwide as to what it takes to be a high-quality charter school authorizer.

Many states have articulated and codified authorizer standards that align with national best practices and their states’ charter law and context.

California has professional standards created by local authorizing experts, but they have not been formally codified. Some states have used professional standards as a reference point for later state policy, through tools like authorizer evaluations.

4.8.3 Authorizer Funding Codified

Some states fail to stipulate funding for authorizers, which can lead to dramatic underfunding of either authorizing work (e.g., Pennsylvania) or charter schools (e.g., Wisconsin).

4.8.4 California Provides Less Authorizer Funding Than Many Other States

California provides the least authorizing funding among the 23 states with district authorizers that stipulate authorizer funding rates in law. The state is second only to the District of Columbia’s Independent Charter Board, which operates at a large scale and is only allowed to charge 0.5 percent. The District of Columbia Public Charter School Board oversees 134 charter schools. This portfolio is larger than all but one California authorizer: the Los Angeles Unified School District, which authorizes 254 charter schools. More than two-thirds of California authorizers oversee only one or two charters. In addition to authorizers with few schools, many charter schools are small. California has 71 charter schools with fewer than 100 students and 245 schools with fewer than 200 students. At the other extreme, 23 schools serve more than 3,000 students.

Whether funding is sufficient also depends on what work is required or expected. If California adopts more comprehensive authorizer standards, and authorizers are expected to perform duties they are not currently doing, funding will need to increase accordingly. The increase in funding driven by expanded responsibilities would be in addition to the existing need to increase funding for what is currently expected of authorizers.

4.8.5 Other States Have Policies to Address Challenges that California also Faces

In addition to allowing a low base rate of authorizing funding, California uses few of the tools other states use to address the challenges that frequently occur in authorizing. Other states have strategies that address the particular challenges of small authorizers, including strategies that reduce the financial incentives for authorizers to decrease the rigor of their authorizing to obtain more funding by approving and protecting large charter schools, and also that address authorizing costs related to schools and applicants that provide no charter funding or events that increase authorizing costs dramatically. These strategies include provisions to address the following challenges:

- **Incentives to Approve and Protect Large Charters:** To reduce an authorizer's incentive to approve large schools and keep them open to generate excess funding that can be used for other purposes, a state could adopt approaches like those used in Florida or Tennessee. California could change the percentage of allowable funding that is now based on charter school size, as Florida does, or cap the total amount generated by any single charter school at a fixed amount, as Tennessee does.
- **Limited Capacity of Small Authorizers:** California could improve small authorizers' capacity by differentiating the percentage of allowable authorizer funding based on district total enrollment, as Colorado does. These strategies could be designed to ensure that small districts have the resources to perform adequately as authorizers, regardless of the size or enrollment of the charter schools they authorize. Given the current incentives in California for small authorizers to approve large charter schools, this higher rate for small authorizers could include a maximum cap on the funds generated by large charter schools or large total enrollments in the charter portfolio. For authorizers with other operating charter schools, a higher authorizer funding rate may provide resources that could be used to meet the costs of currently unfunded activities, like reviewing applications. For authorizers no current schools, increasing the rate would not help with unfunded charter application reviews or post-closure responsibilities.
- **Unfunded Costs:** California could allow petition-review fees, as Arizona, North Carolina, and Tennessee do. This would be of some help, but the amounts allowed in states like North Carolina and Tennessee are unlikely to cover the district expenditures required for a high-quality petition review in California, especially by a small authorizer without scale or already established systems. A similar strategy could be applied to charter closures, appeals, or school crises, all of which generate costs for the authorizer that are incurred after the school closes and authorizing funding is no longer available, or that increase the typical costs beyond the regular funding scheme.

4.8.6 Funding for Charter Support and Authorizer Support

Charter Support Funding

Activities to support charter schools are not part of authorizing functions, but they often are provided by authorizers, including in California. Alternatively, these support activities could be incorporated into the COE programs and services provided to all public schools in their jurisdiction, charter and non-charter. They also already can be funded on a fee-for-service basis.

Authorizer Support Funding

Many states have initiatives designed to strengthen authorizing and to help them implement best practices and meet state authorizing standards. This support is provided by authorizer associations like CCAP, as well as by State Education Agencies like CDE, and other governmental entities, including COEs in California.

In many cases, authorizer support also is funded by the U.S. Department of Education's Charter School Program (CSP). CSP funds cannot be spent directly on authorizing activity but can be used to support authorizers and to develop materials, resources, and tools.

5. AUTHORIZER PERSPECTIVES

This section provides insights collected from California charter school authorizers. It describes the Study's use of three modalities: surveys, interviews, and focus groups. These approaches served different purposes and provided nuance to our understanding of authorizer experience, raising issues of policy, authorizer capacity and context, and real implications of current policy. Each approach and its findings are described first. The information gleaned from these approaches is organized into authorizer scenarios that present the parameters that authorizers believe affect their work and that demonstrate how variation in these parameters affects outcomes. It synthesizes these scenarios to produce common findings and key takeaways.

5.1 Incorporating Authorizer Perspectives and Experience

California has 330 charter school authorizers, which vary in several important ways that affect their practice and funding. California also has tremendous variation across authorizers' contexts and communities, as well as in important aspects of individual charter schools and authorizers' entire charter portfolios. Understanding the experiences and insights of these different types of authorizers, in different situations and overseeing different types of schools, required several approaches. CCAP used three modalities to gather input directly from authorizers:

- **Survey:** CCAP conducted an initial survey that yielded a small response rate. This survey primarily identified issues to address in interviews and focus groups and surfaced definitional issues that needed to be clarified and carefully addressed during the interviews and focus groups to avoid participants' inconsistently using terms and concepts.
- **Interviews:** One-on-one interviews with authorizers enabled subjects to discuss their policies and practices in detail and to explore relatively uncommon situations and dynamics.
- **Focus Groups:** Focus groups were conducted with role-alike and varying role groups of intentionally selected participants. Focus groups allowed participants to compare and contrast their situations, contexts, and procedures. These discussions raised issues involving differences in the charter school context, available funding, and authorizer capacity.

Information from these three modalities was analyzed, using themes and concepts observed in the Study's literature review to explore parameters that affect authorizer funding and work. The focus groups also explored issues that are addressed differently in other states through policy. The three data gathering strategies are described in more detail below. The varying parameters and the emerging dynamics in the interviews and focus groups are then organized by theme and presented through six common authorizing scenarios that demonstrate variation in several relevant parameters. These scenarios help to identify six takeaways.

5.2 Survey

Sample

The literature review and the initial study design informed the survey. The survey was intended to cast a wide net among California authorizers with basic questions about their authorizing staff and financial resources, the distribution of authorizer time among authorizing tasks, and their perceptions of the adequacy of resources.

The respondents included 10 COEs and four districts. The sample of 14 was small given the total number of authorizers in the state, and COEs were disproportionately represented among respondents compared to school districts.

Response rates typically are low for many education surveys. Further complicating this effort was a concern among some authorizers that any information about the quality of authorizing work could later be accessed by charter applicants, charter schools, and state agencies for audits, litigation, or appeals. The interviews and focus groups acknowledged these concerns and reassured participants about the anonymity of all responses.

The small sample size makes it inappropriate to draw conclusions about California authorizers from the survey. Rather, its utility lay in exploring variation in answers to key questions about authorizer characteristics, their contexts, and the work and events they face. This variation in parameters was used to clarify terminology, to design the protocols for interviews and focus groups, and to inform the intentional selection of focus group and interview subjects. Survey results are presented below only to illustrate the sorts of issues that were later addressed in more detailed conversations with authorizers and to refine protocols.

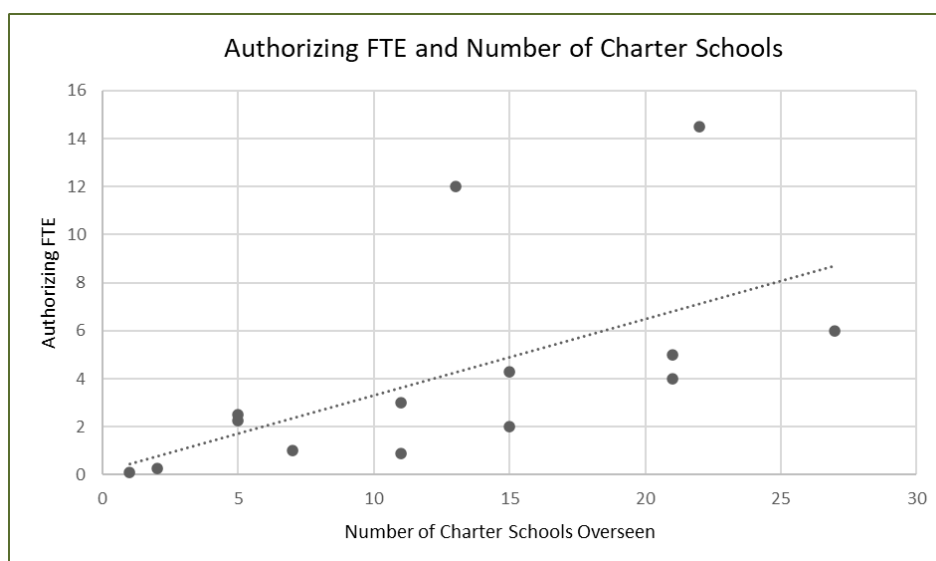
The respondents showed diversity in the number of charter schools they oversee, ranging from charter portfolios of only 1 or 2 schools, several of 3 to 7, several of 8 to 10, and some with more than 20.

5.3 Survey Findings

5.3.1 Total Staffing for Charter School Authorizing

Among respondents, there was a roughly linear relationship between the number of charter schools overseen and staff allocations to authorizing functions. The amount of staffing was quantified in terms of full-time equivalents (FTE) (see Figure 5.1). Across all respondents, the mean FTE count per charter school was 0.31, or roughly one FTE for every three charter schools. These findings provided context for interview and focus group questions probing variation in staffing levels by authorizer type and by enrollment in each charter school, as well as total enrollment across the charter portfolio. It also raised issues in definitions about how to code or describe work that is more tangentially or more directly related to authorizing, and how staffing and work are reflected in organizational charts and in how staff code their time.

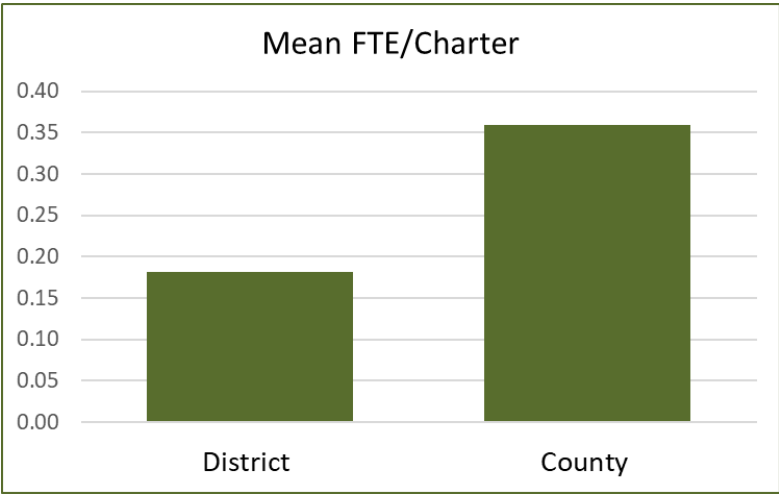
Figure 5.1. Authorizing FTE and Number of Charter Schools Overseen



Among respondents, the mean FTE per charter school in districts is about half that of COEs (see Figure 5.2). District authorizers averaged one staff person for five schools. In contrast, COE averaged a little more than one staff person for every three charter schools.

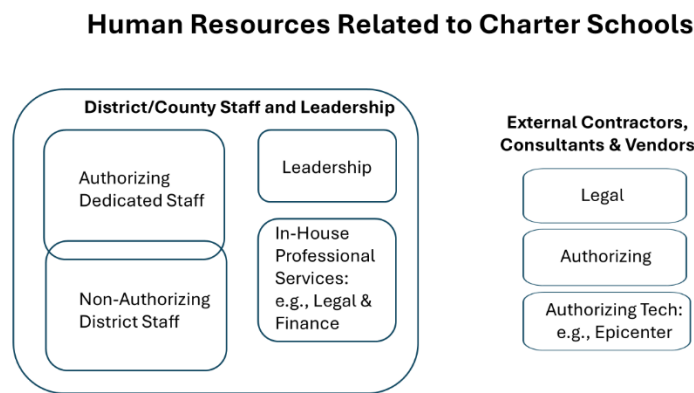
The survey and the initial interviews raised the question of whether part of the difference between districts and COE staffing might be due to COE coding services performed by staff outside authorizing offices as authorizing work more often than districts. This issue was further explored in additional interviews and focus groups by clarifying the types of services participants were discussing.

Figure 5.2. Comparison of Mean FTE per Charter Overseen for District and County Offices of Education



Variations in staffing structures and FTE allocations across different authorizer functions were further investigated through interviews and focus groups. Figure 5.3 illustrates a general model of options in human resource allocation to charter authorizing and oversight. This graphic was used in interviews and focus groups as a launching point for discussing authorizing staffing and support, to address questions about whether respondents were using similar terminology to refer to all staff and contractors.

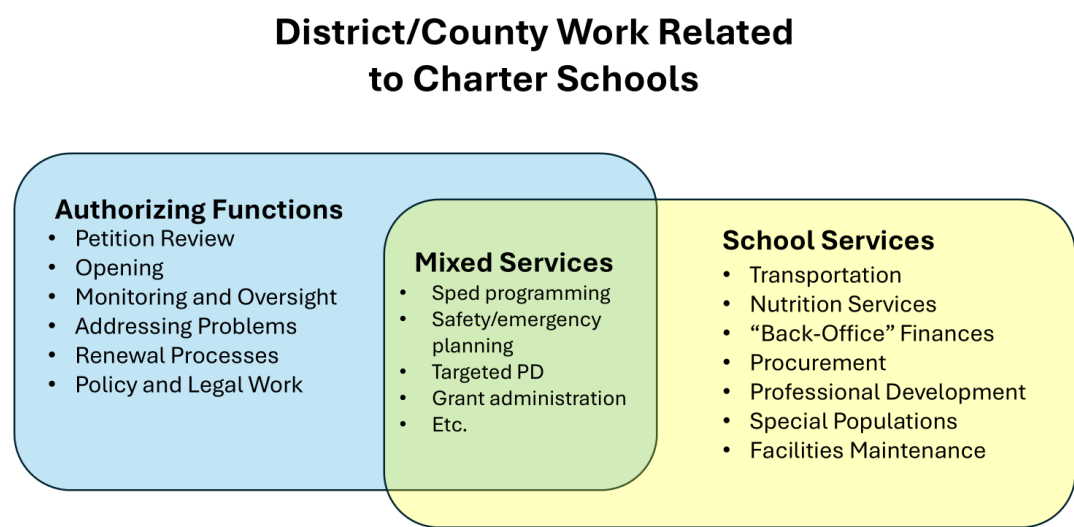
Figure 5.3. Example of Human Resources Allocated to Oversight



5.3.2 Allocation of Time Across Authorizing Tasks

In general, authorizing and school services functions are distinct. However, as illustrated in Figure 5.4, some tasks may be considered both authorizing and school support. The survey raised questions about how respondents interpreted these distinctions. The interview and focus group protocols addressed these distinctions directly and referenced Figure 5.4 to define terms. Clarifying these concepts at the outset helped respondents to discuss differences in interpretation and in how authorizers perceive the appropriate scope of their work.

Figure 5.4. District and County Office Charter Schools Related Tasks



The survey asked authorizers to estimate the percentage of staff time devoted to specific tasks within the charter school life cycle. Figure 5.5. presents the time distribution across all respondents.

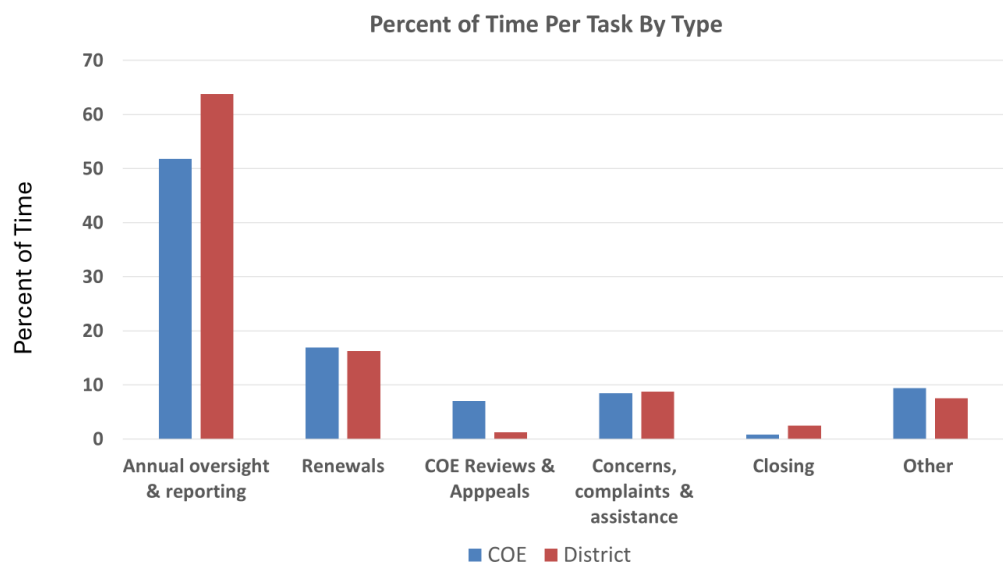
Oversight and monitoring accounted for the largest share (55.2%), followed by renewals (16.1%), addressing concerns and complaints (8.9%), and other activities (8.7%). Tasks such as closures and appeals processing consumed smaller proportions of time (below 5% each).

Notably, many respondents reported no renewals in the past two years and no new petitions in the past five years. The virtual halt in new charter development was perhaps due to the COVID pandemic and the moratorium on new NCB schools. But new charter starts already had slowed prior to the pandemic, likely a function of declining overall enrollment and the number of charter schools already in some communities. In response to the pandemic and the related interruptions to operations and state assessments, California unilaterally extended all charter terms two or three years -- delaying renewal processes.

Among those respondents who had managed petitions or renewals, the time allocated to these tasks was higher than they anticipated. The variation in time required for labor-intensive authorizing tasks, like application reviews and challenging renewals, was identified as a key issue to examine in the interviews and focus groups. The extra time required for intense, but infrequent, tasks was also identified as a topic of discussion. Examples of these types of problems included schools in crisis or scandal, or adversarial charter-district relationships that lead to litigation.

Analysis of time allocation for authorizing tasks in Figure 5.5 revealed comparable patterns between district and county authorizers.

Figure 5.5. Comparison of District and COE Authorizer Time by Task



The survey allowed respondents to identify additional activities that took up their time. These responses informed subsequent interviews and focus groups, which examined the identified activities in greater detail. Common themes emerging from the open-ended survey responses included:

1. Training and meetings with charter administrators and boards, as well as with district authorizers and boards.

2. General support, similar to that provided to school districts and districts schools, in topics such as:
 - a. Completing state reporting;
 - b. Credentialing;
 - c. Enrollment questions; and
 - d. HR issues.
3. External, state, and professional responsibilities such as:
 - a. Training and conferences convened by the state and partners like CASI and CCAP;
 - b. Supporting other authorizers; and
 - c. Research and advocacy on policy
4. Material revisions and facility use agreement negotiation.
5. Appeals of revocations.

5.3.3 Perception of Adequacy of Resources

Survey responses varied about whether resources are adequate. There were no correlations between perceived resource adequacy and survey variables such as authorizer type, size, or charter portfolio scale.

To explore these findings further, interviews and focus groups investigated factors influencing authorizers' perceptions of resource adequacy, including operational constraints, staffing levels, and external conditions and school circumstances that authorizers believed were affecting oversight responsibilities.

5.4 Issues from the Survey Used to Shape Interviews and Focus Groups Protocols

Again, the limited survey sample size means the results could not support conclusions, but they proved helpful in identifying issues for further exploration through interviews and focus groups. Survey findings informed subsequent discussions with authorizers regarding staffing structures and the clarification of the roles of personnel not exclusively assigned to authorizing duties but who contribute part-time to such tasks. A clear distinction was made between activities directly related to authorizing responsibilities and services provided to charter schools that were also extended to other public schools by the authorizing entity.

Interviews and focus groups also examined factors contributing to significant shifts in resource allocation across authorizing tasks and variables influencing authorizers' sense of the adequacy of available resources for effective authorizing. These factors included the type, size, and geographic location of authorizers; the characteristics and scale of charter schools; and the size of the charter portfolio. Additionally, events or conditions that dramatically expanded authorizing responsibilities and work were included in the interview and focus group protocols.

5.5 Interviews and Focus Groups

Between May and June 2025, more than 20 charter authorizers participated in remote one-on-one interviews or focus groups conducted via video conferencing. Notes and recordings were analyzed to inform findings.

Focus groups were organized to include authorizers with similar portfolios or diverse groups to highlight contrasting approaches. Facilitated discussions enabled participants to articulate how varying circumstances influenced their oversight responses, and to respond to one another's observations and consider how similarities or differences in circumstances and context affected their work.

The interviews and focus groups revealed differences in authorizers' staffing and oversight resource allocation. Building on survey data, discussions explored how staff implement local authorizing systems; distinguish authorizing tasks from school support services; and address disruptions such as deficient petition submissions, investigations, or intensified oversight needs.

The interview and focus group participant sample also was limited relative to the large number of authorizers in California and may not be fully representative. The recruitment effort inevitably leveraged state efforts that were already engaging authorizers. Many subjects also had participated in collaborative efforts at the state level such as those of CCAP and CASI. This past engagement could suggest a degree of professional sophistication on the part of participating authorizers and/or a history of challenges prompting these authorizers to seek support. Nonetheless, participants openly discussed their challenges, staffing histories, and oversight practices, and they provided background to explore dynamics affecting their work. It is likely that many authorizers in California are less sophisticated authorizers than these participants in interviews and focus groups.

5.6 Authorizer Scenarios

Several patterns of resource allocation for authorizing emerged during interviews and focus groups. Participants contrasted the impact of their own circumstances on authorizing with those of colleagues in different situations with which they are familiar. These factors triangulated into useful archetypes of authorizers that illustrated how several parameters affect authorizing work and funding.

To capture these different contexts and their interactions with authorizing work and resources, six scenarios were developed that allowed the Study to describe the common dynamics subjects reported. These scenarios differ in attributes of the authorizer and their portfolio. Variation in the charter portfolio included the number and size of charter schools, as well as the presence or absence of NCB schools. Authorizers were also divided by district and COE, as well as by enrollment in their own schools. These scenarios capture many of the approaches to authorizing, organization, and staffing that our subjects described. The attributes of the six scenarios are described below, and the authorizing dynamics for each scenario are summarized in [Table 5.1](#).

1. Small or rural district with 1 to 2 classroom-based charters
2. Small or rural district with at least one large NCB charter
3. Medium-sized district with 3-10 charters
4. Medium-sized COE with 3-10 charters
5. Large district with more than 10 charters
6. Large COE with more than 10 charters

Across scenarios, our analysis compared the following attributes or considerations:

1. Staffing
2. Expenditure Tracking and Justification
3. Expectations for Authorizing Work and Perceived Quality of Implementation
4. Perceived Adequacy of Resources
5. Threats or Disruptions to Work

5.6.1 Small/rural district with classroom-based charter(s), (1 to 2 charters)

Staffing: These authorizers are likely to designate a portion of one staff person's professional responsibilities to include serving as the charter school liaison. In some instances, but not all, this person actually is the superintendent. The time allocated to charter school authorizing in typical situations can be as little as .1 FTE or .25 FTE. Others report the time required can be very little if "nothing goes wrong" but then increase dramatically during renewal or if "something goes wrong" with a school.

Some authorizers report that they assign additional resources to authorizing as needed, including internal staff, consultants, legal support, financial expertise, and authorizing technology. This variation also could produce different answers for a single authorizer over time, depending on circumstances.

The authorizers with low staff allocations for authorizing also reported being less likely to use authorizer-specific support technology.

Expenditure Tracking and Justification: Many small authorizers report that they do not have formal systems to document fractional employees' time dedicated to authorizing activities, and they report that neither the school(s) nor the district have felt the need to create a sophisticated expenditure tracking system or to document and justify the district's one percent authorizer funding rate externally.

Expectations for Authorizing Work and Perceived Quality of Implementation: Small authorizers with small charter portfolios often report a narrow understanding of authorizer expectations, focused on initial application review and limited monitoring and oversight. This narrow view of expectations for authorizers does not reflect national and professional standards for quality charter school authorizing advocated by CARSNet and CCAP. Instead, some of those small authorizers with minimal expectations instead referenced the state's statutory language around minimal procedural obligations, which leaves many aspects of authorizing unaddressed.

Superintendents who effectively serve as the entire authorizing staff in many of these districts report that they "manage" the schools through strong personal relationships, which they consider sufficient when things go smoothly. But they report that this relationship-based approach can create anxiety or disruption when a school struggles or problems arise. These district leaders are optimistic that their approach is generally functional if the charter schools they oversee are doing well now and have not experienced a crisis, at least not in the last few years. However, they readily acknowledge that turnover in charter or district leadership can become a challenge.

Adequacy of Resources: These authorizers generally report that available resources are inadequate to do the work required for high quality authorizing, although some also report a sense that authorizers can get by with doing little work in some circumstances. They feel vulnerable to events that require more attention if a school experiences a scandal, fails to perform adequately or perform required tasks effectively, or appeals a high-stakes authorizer decision. See the following section on threats or disruptions to work for details on this dynamic. These authorizers generally pursue a reduced set of authorizer activities, and their lowered expectations regarding what work is required affects their judgment of adequacy of resources when a school is performing acceptably.

Threats or Disruptions to Work: Because they often rely on personal relationships to manage their authorizing role, they express anxiety about the district's vulnerability to problematic schools or applicants, to transitions in charter school boards or leadership, or to major shifts on their own board. As the charter liaison is often the district's superintendent, they also acknowledge that their own departure could create challenges for both parties if the district were to lose institutional knowledge and the relationship between the school and the district deteriorated. However, these authorizers still express overall confidence in their oversight of a single school. With a portfolio limited to one or two

charters, they perceive minimal risk of significant issues that would be more likely to emerge if they had a larger portfolio—at least as long as current performance and compliance remain satisfactory.

5.6.2 Small/rural district with large non-classroom-based charter school(s), (1 to 2 charters)

Staffing: Small authorizers with large charter enrollment are still likely to have only a fraction of one person’s broader professional responsibilities allocated to the work of the charter school liaison, albeit a larger proportion of that person’s time than in districts with only small classroom-based charters. Internal staffing can be as little as .1 FTE or .25 FTE in internal staff, and .5 FTE of an authorizer consultant. These districts may also use authorizer-specific support technology and organizations with expertise in charter school oversight, especially if the district has a history of problematic schools, limited staff, or weak authorizing.

Some subjects used consultants, including former district administrators with experience as authorizers. Consultants included CCAP (retained to strengthen and help to conduct charter school authorizing functions, sometimes in a transitional, capacity-building role), retired district or COE administrators, and law firms with educational practices.

Expenditure Tracking and Justification: These small authorizers with large charter enrollments often do not have systems to document the fractional portion of each employees’ time dedicated to authorizing expenditures, and they report that neither charter schools nor the district have felt the need to create a sophisticated expenditure tracking system or the need to document and justify the district’s one percent authorizing funding rate to the schools they authorize.

Expectations for Authorizing Work and Perceived Quality of Implementation: Small districts with large charter enrollments are more likely to report pursuing best practices in charter school authorizing than districts overseeing one or two classroom-based charters. Despite reporting that their authorization is strong, in some cases their description of authorization practices is more reflective of California’s limited statutory obligations than of national authorization standards or of California’s professional expectations for best practices. Other authorizers in this scenario aspire to best practices that reflect national and California’s professional expectations for quality authorizing.

Perceptions of Adequacy of Resources: These authorizers report that resources are adequate to perform the required work. Some have adopted new oversight practices in response to prior scandals or other problems, enhancing their efforts while maintaining that they believe their current authorizing funding is sufficient.

Threats or Disruptions to Work: These districts share concerns of small districts that authorize classroom-based charter schools about the challenges that can arise in any charter school. However, the additional resources generated by the NCB charter school’s large enrollment help these districts feel they are more prepared to fulfill more obligations. They often explain that previous scandals and state policy actions forced them to improve their oversight, reducing their exposure to large charter schools that may behave inappropriately or create legal and financial liabilities for the district and the school.

5.6.3 Medium-sized district (3-10 charters)

Staffing: While staffing by districts in this group varies, districts with 5-10 charter schools tend to have one to two dedicated authorizing staff. Every California charter authorizer is required to designate at least one charter school contact, but policy does not indicate the amount of work or tasks assigned to this person. Authorizers in this group are more likely to use authorizer-specific support technology or create their own internal digital systems. Other staff

support is distributed among district staff, who may or may not code this work as funded by authorizer funding rates. These distributed staff often include finance experts. Authorizing staff also report support from colleagues with facilities, operations, and academic expertise. School districts also report depending on their COE for legal support or for serving special populations.

Expenditure Tracking and Justification: These districts tend to track expenditures through a full-time FTE dedicated to the authorizing team and also can estimate the time dedicated by distributed staff, but they may not have a system to track all staff time.

Expectations for Authorizing Work and Perceived Quality of Implementation: Once multiple authorizing staff members are in place and charter portfolios reach 5-10 schools, the authorizers we spoke with were likely to demonstrate a strong understanding of the full spectrum of expectations for charter school authorizers. Their description of authorizing responsibilities was not limited to the state's limited statutory obligations. Many were already connected to CCAP, and several also described their engagement with NACSA and other sources of national expertise. Several also reported that some of the schools they oversee can object to their implementing best practices in authorizing, arguing that best activities exceed what is allowed under current California law. Some authorizers believe this opposition hinders them in fully implementing best practices as articulated by national groups, CCAP, and professional expectations in the field. Still, they otherwise have a high degree of confidence in the technical aspects of their work.

Perceptions of Adequacy of Resources: These districts report that authorizing resources can be adequate for oversight when things go smoothly. However, they find resources inadequate when problems arise. Given the size of their portfolios, they find that there is often at least one school experiencing problems that require disproportionate resources, and that these extra resources can exceed the resources available to the authorizer as a function of that specific school's LCFF. However, their larger portfolio may provide sufficient resources to cover the expenses associated with managing a school that requires disproportionate authorizer work.

Threats or Disruptions to Work: These districts share the anxieties of small districts overseeing only one or two charter schools. They express some apprehension that with 3-10 schools in their portfolio, they believe at least one school is inevitably experiencing problems or requiring additional resources at any given time. They also regularly conduct charter renewals and negotiate material details of the MOUs. As a result of the end of the state-mandated pause in renewals, they report a current surge in renewals in any single year that can burden their systems and resources.

5.6.4 Medium-sized COE (3-10 charters)

Staffing: Medium-sized COE authorizers are likely to have more staff dedicated to authorizing specifically than districts. COEs are likely to have 0.40 or more FTE per charter school they oversee, compared to 0.1 or 0.25 per charter for district counterparts. They are also more likely to describe how they leverage the expanded capacity of their larger county offices. Support is distributed among staff with diverse expertise. Some of their distributed staffing addresses issues specifically related to authorizing, and COE also report providing more services to charter schools that are also available to districts and district-operated schools that are not charter-specific. Some use authorizing-specific support technology.

Expenditure Tracking and Justification: Medium-sized COE authorizers use a combination of tracking full-time FTE dedicated to authorizing and a system to code all other employees' time dedicated to authorizing functions. They may not track the delivery of non-authorizing services to charter schools. Participants defined authorizing work and generic support to schools differently, complicating the analysis of this topic. Whether authorizers have enough resources for their work depends on which tasks they consider "authorizing" work. Those who report inadequate resources may be

doing more authorizing work, or they could be counting other support services they provide to charter schools as authorizing. Some COEs described other work they did for charters as support provided on a fee-for-service basis, or as work the county provided to all schools and LEAs that was funded with other state resources and not coded as authorizing in their tracking systems. County-wide professional development is an example of this latter type of service.

Expectations for Authorizing Work and Perceived Quality of Implementation: These authorizers often demonstrate an expansive understanding of the expectations of authorizing that reflect national best practices and California's professional standards. California's limited statutory expectations do not limit them. They are also likely to report that their work exceeds the state's minimum expectations and aligns with these higher national and professional expectations. However, the practices they employ vary, so that a charter school organization operating in multiple locations may still experience different authorizing processes and standards from these higher-capacity authorizers.

Perceptions of Adequacy of Resources: These COEs report that resources are adequate for oversight when things are going smoothly. They also believe their larger COE capacity is sufficient to address many potential challenges. Despite this expanded institutional capacity, they may still find resources inadequate when more severe problems arise. Given the size of their portfolios, they report that every year at least one school experiences problems that require disproportionate resources and/or resources greater than the authorizer receives as a function of that school's LCFF.

Threats or Disruptions to Work: The medium-sized COEs share concerns about problematic petitions, renewals, or an operating school in crisis. Some also report that the charter schools authorized by districts within their county may generate technical assistance needs beyond normal authorizer responsibilities or create a COE responsibility to participate in authorizing activities with the district. If the COE is relatively small, and its member districts are small and rural, the COE may share the same anxieties as medium-sized districts. Larger COEs, which have more resources in general, are less likely to express these concerns and believe their overall capacity will help them navigate problematic events or schools.

5.6.5 Large District authorizer with medium to large portfolio (11 to 30 charters)

Staffing: Districts with larger portfolios create teams of dedicated staff, which can be organized at FTE/charter ratios similar to those of a large COE. Districts with large charter portfolios tend to be large districts with central staff and capacity that can address almost all areas required for charter school authorizing. They have also developed systems that address the full authorizing life cycle, with the ability to bring in specialists across different areas of expertise, such as academic performance and accountability or operations. These districts also access their internal departments for relevant expertise.

Expenditure Tracking and Justification: Large districts tend to have one or more FTE dedicated to authorizing. They also have systems to document other district employees' authorizing support. They may track non-authorizing support work by district employees. Larger districts regularly use authorizer-specific technology from external providers, implement additional technological infrastructure for authorizing, or build their own systems to manage ongoing authorizing functions, such as monitoring and reporting. These districts report they have the capacity to document and report expenditures, but they also report little interest from schools in doing so.

Expectations for Authorizing Work and Perceived Quality of Implementation: These authorizers often demonstrate an expansive understanding of the expectations of authorizing that align with national best practices, and California's limited expectations do not constrain them. They are also likely to report that their work aligns with these expectations'

higher standards and exceeds the state's limited statutory expectations. Variation in authorizer practices between districts reported in Scenario 4 is also likely to be present among these authorizers.

Perceptions of Adequacy of Resources: These districts generally report that the resources are adequate to perform their tasks or are close to sufficient, even when problems arise. They do access additional internal and external staffing and support when needed. They believe the district's larger systems and capacity can address most problems that arise and should be applied using available non-authorizing resources.

Threats or Disruptions to Work: Large district authorizers complain that an individual school or event can take an extremely disproportionate amount of their resources, though, and that the revenue the district receives as a function of that school's LCFF is not related to the work that school requires or to the work that authorizing, in general, requires.

These districts are distinct from other authorizers in that they frequently they express concerns about the internal politics of their district, including sharp changes of direction from new school board members or district leadership. These changes can affect the district's philosophical orientation toward charter schools or in its general health and financial standing. Either form of internal district disruption can lead to a lack of support for adequate staffing or a lack of fidelity to best practices in authorizing. They also fear a misalignment between district staff recommendations and board action.

5.6.6 Large COE authorizer with medium to large portfolio (11 to 30 charters)

Staffing: These authorizers have dedicated teams of authorizing staff, allowing specialization for different authorizing functions. These staff are distinct from the COE's staff, which provides support to the county's districts and district-operated schools for non-charter-specific tasks. They also report that some authorizing work is distributed to staff outside their team. Generally, other staff do a limited piece of work that requires their expertise, such as a CFO addressing a financial reporting problem.

Larger COEs regularly use authorizer-specific technology from external providers, leverage other technological infrastructure already present in their institutions, or build their own systems to manage ongoing authorizing functions, such as monitoring and reporting.

Expenditure Tracking and Justification: In addition to the systems described above, large COE authorizers often report having systems for tracking time and effort by all county staff on different tasks that operate independently of authorizing and that provide an easy mechanism to track work related to charter school authorizing. COEs also express confidence in their ability to report expenditures accurately, but they report that schools do not request any invoices or time accounting.

Expectations for Authorizing Work and Perceived Quality of Implementation: These authorizers universally demonstrate an expansive understanding of the expectations of authorizing that align with national best practices and California's professional standards, and California's limited statutory expectations do not constrain them. They are also likely to report that their work exceeds statutory obligations and aligns with these higher expectations.

Perceptions of Adequacy of Resources: These COEs generally (but not universally) report having sufficient resources to perform their tasks and that the county's broader expertise in many areas is useful when problems arise. Some of these COEs also describe the resources they receive to support all schools and districts, and how they consider charter schools to be intended recipients of these general resources, like any other school in their jurisdiction.

Threats or Disruptions to Work: Large COE authorizers are like large district authorizers with large charter portfolios, and they report having the capacity to address a variety of situations that may pose challenges for smaller authorizers. They also have broader staff support in many areas. While renewals can create time and cost burdens, those reporting such burdens have developed systems to manage much of the workflow throughout the charter life cycle. They too still express concern that an individual school or event can require extremely disproportionate resources. In addition, COEs receive appeals of school districts’ high-stakes decisions. Some respondents explained that appeals can become disruptive, while others felt their COE appellate process was working effectively and smoothly.

A summary of these scenarios is presented in Table 5.1 below.

Table 5.1: Summary of Authorizer Scenarios and Attributes

Authorizer Scenario	Staffing	Expenditure Tracking & Justification	Expectations & Quality	Resource Adequacy	Threats/ Disruptions
1. Small/Rural District (1-2 Classroom-Based Charters)	0.1-0.25 FTE, often superintendent; occasional consultants. Minimal authorizing tech.	No formal tracking; no need to justify 1% fee.	Focus on petition review, compliance, renewals; rely on relationships. Functional if charters are stable.	Inadequate, especially in crises, due to limited staff/expertise.	Vulnerable to school issues, leadership transitions, or loss of institutional knowledge.
2. Small/Rural District (1-2 Large NCB Charters)	0.1-0.25 FTE internal, up to 0.5 consultant; some authorizing tech.	No formal tracking is required; no need to justify 1% fee.	Aspire to best practices; improved post-scandal/ may align with state rules and use external support.	Adequate due to large enrollment; supports new practices.	Similar to classroom-based but mitigated by resources. Past scandals drive better oversight.
3. Medium-Sized District (3-10 Charters)	1-2 dedicated staff; uses authorizing tech. District/COE support for finance and legal. Some technology	Tracks FTE; estimates other staff time; no need to justify 1% fee.	Understands best practices; confident but limited, often reference CCAP/NACSA.	Adequate when smooth; strained by frequent school issues.	School issues, renewals, and MOU negotiations strain resources, heightening anxieties in small districts.
4. Medium-Sized COE (3-10 Charters)	0.4+ FTE/charter (1-3); distributed COE expertise. Authorizing/non-authorizing services. Some technology	Tracks FTE; partial other staff tracking; not non-authorizing services. No need to justify 1% fee.	Aligns with national best practices; confident in execution.	Adequate when smooth; COE capacity helps, but severe issues strain.	Problematic petitions/renewals ; small COEs share district anxieties; larger COEs manage better.
5. Large District (11-30 Charters)	Dedicated teams with specialists; uses authorizing tech—district expertise access.	Tracks FTE, distributed staff; can report, rarely needed or requested.	Aligns with best practices; confident in systems.	Adequate; district capacity manages most issues.	School issues strain resources; internal politics or financial shifts disrupt staffing and practices.

Authorizer Scenario	Staffing	Expenditure Tracking & Justification	Expectations & Quality	Resource Adequacy	Threats/ Disruptions
6 Large COE (11-30 Charters)	Dedicated teams with specialization; uses authorizing tech and separate district support.	Tracks all staff time; can report but is rarely needed or requested.	Aligns with best practices; confident in systems.	Adequate; COE expertise manages most issues.	School issues strain resources; less concern about politics than in districts.

5.7 Analysis

The input from authorizers reinforces several themes about the regular experience of California's districts and COEs involved in authorizing. The state's educational landscape is diverse, ranging from some of the nation's largest and most complex education systems, such as LAUSD, to many extremely small districts. At these extremes and everywhere in between, the entities responsible for charter school authorizing and oversight can be as different as any two public institutions.

In both interviews and focus groups, a series of attributes of authorizers, details of their charter portfolio, and situations that can arise, affected the resources and staffing required for authorizing. These same attributes and events affected the capacity of authorizers to perform their work, the challenges they faced, and their sense of their ability to meet expectations with the resources available to them.

The charter schools and charter applicants are equally variable. Small brick-and-mortar schools that specialize in serving a small group of students from a particular population contrast with NCB charter schools serving 10,000 students or more.

As the authorizers and the schools vary, so too do the authorizers' charter portfolios and their own mix of district-operated schools. The number and type of charter schools these entities oversee, as well as the numbers and types of district-run schools they operate directly, vary and affect their capacity as authorizers. One strategy used in other states to accommodate diversity among students and charter school programs is to emphasize measures of student growth in academic performance frameworks. California lacks a strong state measure of student growth, complicating authorizers' work in the state.

These mixes of different contexts and circumstances create the diversity reflected in the scenarios above. This variation is profound, but the data collection and analysis of this Study have yielded observations that can help policymakers and other interested stakeholders understand some of the underlying dynamics at play.

5.8 Takeaways

Through the interviews and focus groups, participants' input triangulated into several observations that may be relevant statewide. These takeaways reinforce findings from the literature review and the cross-state policy analysis. These six takeaways generated from the interviews and focus groups are described in more detail below:

1. California lacks formal clarity on what authorizers are expected to do.

2. Many factors affect authorizing costs, but virtually none involve charter enrollment.
3. Essentially, only charter enrollment determines authorizing funding.
4. Authorizer capacity varies widely.
5. Authorizers judge the adequacy of authorizing resources differently.
6. Most authorizers do not track and report authorizing expenditures.

5.8.1 California lacks clarity on what authorizers should do.

A solid national consensus has emerged on what constitutes authorizing best practice. It is based on 30 years of experience and efforts across many states to strengthen authorizing to achieve the policy goals states set for their charter sectors.

California has examples of these expectations, created by groups like CCAP, which act as professional standards. California, unlike many other states, has not codified updated or current expectations of authorizing practice in law and policy that reflect the full spectrum of work that authorizers must perform. To the extent California addresses authorizing in policy, it describes only a narrow slice of the authorizing life cycle. On many important aspects of authorizing, it is silent.

The input from authorizers on this topic aligns closely with the recommendations of the reports examining authorizing in California that are referenced in this Study's literature review in Section 3. It also reflects tension over unique aspects of California's policy, as explored in the cross-state policy analysis in Section 4.

While some authorizers maintain that if they do the few things enumerated in California law, they have met their obligations, most authorizers feel that the state's lack of more specificity and low expectations for authorizers create problems for them. This uncertainty leaves them feeling exposed to challenges from applicants and charter operators if the authorizer attempts to gather information or set expectations that are not expressly stated in the statute. Even when tasks or responsibilities are described in statute, authorizers report that the lack of clarity can still lead to legal challenges. While many authorizers use tools provided by groups like CCAP that align with high-quality authorizer standards, others lack systems or procedures aligned to best practice. They also express concern about not knowing whether they might be liable later because they did not do something that they later learn they should have done. This insecurity is especially prevalent among small authorizers. They may lack the expertise to respond effectively if challenged by charter schools over implementing practices beyond those specifically prescribed in the Education Code.

5.8.2 Many factors affect authorizing costs, yet virtually none involve charter enrollment.

Because authorizing funding is based on total charter enrollment, large charter schools generate a lot of authorizer funding. In contrast, small charter schools can produce the same or more work as large charter schools but generate far fewer authorizing resources.

Several factors can contribute to a mismatch in funding and work. Authorizers report that many tasks in authorizing are the same regardless of the school's enrollment, and almost no tasks are significantly more expensive because of a larger school's enrollment. To the extent there are additional costs to authorizing very large schools, they are not proportionate to the scale of the largest charter schools. Regardless of the school's size, recovering from a major scandal or other serious problems at a school may require a large investment by an authorizer in improving services and systems and in monitoring and evaluating the effectiveness of the school's efforts and procedures.

Funding is not available for authorizing tasks before a charter school opens or after it closes. When applications are denied, there will never be enrollment to compensate the authorizer for the work involved in establishing an application review process and reviewing an application that is ultimately denied. Best practices involve many tasks that an authorizer should perform before charters open and after they close (described in Section 2). For example, a high-quality review of a charter application is a labor-intensive process that requires significant expertise.

Many events in the charter school life cycle can dramatically increase the costs of authorizing a school. If applicants believe the authorizer was wrong in denying an application or a renewal, they are likely to appeal the decision. This entails significantly more work and expense for the district and applicants alike, as well as the COE in the event of an appeal. In addition, underfunded and low-quality application reviews and renewal processes can lead authorizers to deny charter schools that would succeed or to close strong schools. Alternatively, these authorizers may approve schools or keep schools open that will struggle and, ultimately, harm students and threaten the public interest.

When a school is in crisis or when enrollment and performance are unacceptable and not improving, the authorizer also has much more work to do. Relations between the school and its authorizer may become adversarial. Bad relationships and a lack of trust create pressure to modify practices to validate information or to add new authorizing tasks that respond to an assumption of looming failure or bad faith.

After a charter school close, authorizers retain responsibility for a wide range of follow-up work, including serving students and facilitating their transition to new schools, securing and protecting records, and ensuring the appropriate use of public funding.

5.8.3 California's enrollment-derived authorizer funding does not necessarily align to costs.

As explained in [Section 4.1.1](#), pp. 26-27, California's language and implicit framing of authorizer funding as charter school funding diverted to the authorizer can obscure the key point that authorizing is not a service performed for a charter school but an obligation to serve students and protect the public interest, while also helping the charter school succeed and thrive. Despite this fact, essentially it is only characteristics of a charter school's enrollment that determine authorizer funding.

Some authorizers report that various stakeholders suggest that whatever is funding generated as a function of a charter school's LCFF should be reserved for overseeing only that specific school. In general, California authorizers find this argument highly impractical and presume that all funding for authorizing generated by their entire portfolio is—and must be—available for work related to any charter school in their portfolios, as well as for functions related to applicants or closed schools that do not generate any authorizer funding.

While large, "smoothly" operating schools generate substantial authorizer funding, authorizers note that small charter schools, especially those in crisis or with problematic performance or compliance, can generate more work than the large charter schools, while generating very few resources to support this work.

Small districts overseeing very large NCB charters may still be supporting their own programs with the portion of the 1% not spent on authorizing. In the future, if current policies determining the amount of funding and documenting and restricting its use are enacted with greater fidelity, and there is no financial incentive to authorize large NCB charter schools, some small districts may no longer want to authorize these schools. These changing authorizer incentives could force schools to find new authorizers or threaten their continued operation. Any change removing authorizers needs to ensure charter applicants and operating charter schools retain access to a high-quality authorizer.

5.8.4 Authorizer capacity varies widely.

Authorizers differ structurally, affecting their capacity to perform their authorizing tasks. Capacity is shaped by things unrelated to the authorizer funding they receive or the tasks they are expected to perform. Authorizers report that their capacity also is affected by:

- Size of enrollment in the authorizers' own schools;
- Whether the authorizer is a COE or a district;
- Authorizer viewpoints on and attitudes about charter schools;
- Internal staff expertise and experience;
- The state of development of systems for authorizing and other work; and
- The sizes of charter enrollment and the portfolio and their impact on the resources available to support the work and systematization of that work.

Large districts and COEs have many programs, resources, and services they provide to all schools or districts in their jurisdiction. They report that they have the capacity to perform all their non-authorizing work. This general capacity gives these authorizers greater capacity, which they can apply to their authorizing work. Smaller authorizers do not have this general capacity to leverage in their authorizing.

The authorizers' charter portfolio size can also allow them to achieve economies of scale, leading them to develop systems that support their authorizing work. Strong authorizing systems can reduce burdens on authorizers and charter schools and may reduce costs. For details on the size of charter enrollments and portfolios, and the distribution of California authorizers of different sizes, see [Section 3.4.2](#), pp. 16-17 and [Section 5.6](#), pp. 46-54; and [Appendix B](#).

How authorizers staff their authorizing work depends on their own size and mission, as well as on the number, type, and enrollment of the charter schools they oversee. Some low-capacity authorizers may need a higher authorizer funding rate than high-capacity authorizers to reach the same national and professional standards for authorizing.

5.8.5 Authorizers judge the adequacy of authorizing resources differently.

Some small and medium-sized authorizers feel their resources are inadequate to the task. Other small authorizers, and many larger authorizers and COE, feel their available resources are generally sufficient, even if they face occasional expenses that may take more work than expected. An authorizer's sense of the adequacy of authorizer funding is affected by factors such as its history and experience with charter schools, whether an applicant or school appeals authorizer decisions, and whether a school is struggling or is the subject of complaints or scandals.

Experience overseeing charter schools that were previously involved in scandals or other problems can significantly expand an authorizer's sense of the work they must do to ensure no additional problems arise in the future. Meanwhile, a small authorizer overseeing multiple small charter schools can feel that the revenue each charter generates is insufficient. Some authorizers suggested that authorizes with small charter portfolios should not be incentivized to approve more charter schools or larger charter schools in order to create a larger pool of authorizer funding that would support oversight of their initial charter schools.

Larger districts and COEs often report greater comfort with available funds. These differences are also affected by the authorizer's type, the size of their enrollment, geography, the scope of services provided, and the staffing capacity in the district or COE. Larger COEs are more confident than smaller COEs about their own capacity and resources.

The relationship between charters and authorizers also shapes the sense of adequacy. Small authorizers often report managing their charter school authorizing responsibilities effectively through greater local familiarity, more frequent, ongoing contact, and by emphasizing personal relationships between leaders from the charter and the district.

For small authorizers with a good relationship with one charter school, relying on that relationship has often served the district well for decades. In these cases, the one percent authorizer funding rate is considered sufficient for the minimal work the authorizer performs. However, relationship-based authorizing may leave the authorizer vulnerable to future events—for which available resources could be insufficient.

When small authorizers are familiar with authorizing expectations that involve more work than is specified in California's limited statutory language, some report feeling under-resourced and unable to perform the work of a high-quality authorizer. Some small authorizers (including those that faced problems with scandals like A3) responded to those earlier challenges by seeking the services of expert consultants to augment their own capacity and to create systems that improve their ability to prevent, identify, and address fraud and other problems. In general, larger authorizers (district and COE) are more likely to feel their resources are adequate.

A recurring theme in many of our interviews and focus groups across the scenarios is the concern that, when a charter school encounters significant problems or crises, its authorizers may find resources inadequate to address the challenges.

5.8.6 Most authorizers do not track and report authorizing expenditures

The 1% authorizer funding rate is the nearly universal calculation utilized among the authorizers who weighed in, and the presumption that a flat 1% rate is allowed or guaranteed, regardless of authorizing costs, remains widespread. Almost all authorizers report that charter schools do not expect to retain to receive back any funds if the authorizer used less than what was available under the 1% funding rate.

Among those we talked to, with few exceptions only medium- and large-sized authorizers consistently track and report their authorizing expenses. The exceptions to this dynamic were small districts that had been subject to severe problems or scandal and/or that put a great deal of work into strengthening their authorizing activities or working with outside experts.

In some cases, this is because the authorizers are confident based on numbers easily available that their actual expenses exceed the 1% rate. However, this also is the legacy of longstanding practice and a widespread understanding in the wide authorizer and charter school sector—notwithstanding the express wording in the Education Code—that it was acceptable, and in some ways advantageous, to use a simpler, flat calculation based on the statutory cap. This continues to be the case in many places, despite the attention to this issue called by prosecutors in the A3 case, as well as recent legislative consideration of new annual audit requirements for authorizers related to authorizing functions and expenses.

6. ANALYSIS, FINDINGS AND RECOMMENDATIONS

This section starts by summarizing and synthesizing the key takeaways from the preceding sections into overarching findings. Each of these findings then forms the basis for a key recommendation for policymakers and stakeholders.

6.1 Cross-Section Analysis

The findings in this section derive from the research, analysis, and takeaways presented in each of the preceding sections. To recap:

Section 2 documents the full scope of authorizing responsibilities—over 100 tasks across the charter life cycle—and shows the significant gap between this real work and the minimal duties formally prescribed in statute. In addition to low expectations for authorizers, it describes California authorizers’ lack of authority and resources.

Section 3 synthesizes more than two decades of reports examining California charter schools and authorizing. They include state audits, Little Hoover Commission reports, NACSA analysis, and State Auditor findings, along with three recent fraud-related reports by LAO/FCMAT and tasks forces convened by the State Controller by and CCAP. Across this body of work, the same systemic weaknesses are repeatedly identified. They describe fragmented fiscal systems, limited data infrastructure, unclear oversight expectations, and uneven authorizer capacity. These findings reinforce this Study’s conclusion. Vulnerabilities that resurfaced in the recent A3 and Highlands scandals are long standing—as are the many proposals to address them.

Section 4 shows that California charter policies differ substantially from other chartering states. Many other states codify more detailed authorizer expectations, evaluate authorizers regularly, and align funding models with authorizing responsibilities. Section 4 also identifies specific provisions in other states’ charter laws that directly address problems found in California’s current authorizer funding system.

Section 5 presents qualitative evidence from surveys, interviews, and focus groups of California authorizers. Using six authorizer scenarios, it illustrates how differences in authorizer type, size, context, staffing, and charter portfolios create wide variation in oversight capacity and experience. These scenarios make clear how challenges documented in earlier sections manifest differently among different authorizers.

Viewed collectively, these five sections tell the story of serious, systemic problems in California’s approach to authorizing—not of isolated weaknesses. The dearth of codified standards (Sections 2 and 4) creates inconsistency; misaligned policies (Sections 3 and 4) detract from coherence; limited authority and tools (Sections 2, 4, and 5) hinder timely intervention; the funding model (Sections 3–5) is misaligned to workload; there is no quality control for the critical function of authorizing (Section 4); and supports for authorizers are inconsistent and voluntary (Section 5). Together, these conditions undermine authorizers’ ability to meet their responsibilities and compromise the overall effectiveness of California’s charter oversight structure. They expose the state to systemic financial and governance risks.

The takeaways above yield five overarching findings about California’s charter school authorizing that should be addressed in comprehensive legislation and supporting policy:

6.1.1 Financial oversight weaknesses in California’s charter system have been well documented for decades, yet the State has not enacted recommended reforms.

California lacks the fiscal safeguards needed to prevent future misconduct. This makes California not only vulnerable, but attractive, to bad actors.

An array of audits and task force reports has pointed to serious and persistent vulnerabilities. Recent large-scale fraud cases have altered the landscape by demonstrating how the state’s weaknesses can be exploited at a dramatic scale, causing significant fiscal harm and eroding public trust. Uneven state legal and policy processes and systems, including attendance tracking, financial reporting and auditing protocols, remain inadequate to detect irregularities or prevent fraud. Fragmented state processes like fiscal rules, audit protocols, accountability measures, renewal criteria, and corrective-action expectations undermine their alignment with one another and with other authorizer responsibilities. Many of the changes California has made were adopted reactively in response to isolated concerns—exacerbating this fragmentation. The misalignment creates confusion, undermines coherence, and limits the State’s ability to evaluate or support high-quality authorizing.

Despite the increased sense of urgency, recent legislation addressing many of these weaknesses still failed. Historically, passage of even relatively common-sense or technical measures in California has been impeded by political polarization and the tendency to encumber any charter legislation with provisions advancing wider pro- or anti-charter agendas.

6.1.2 California’s minimal codified authorizer standards and accountability result in widely inconsistent quality of authorizing.

Authorizing is a complex professional role that involves more than 100 distinct oversight tasks across every stage of the charter school life cycle (see [Appendix A](#)). The mismatch between the five basic authorizer duties codified in California Education Code and the actual comprehensive work of authorizing leads to significant variation in local practice, sometimes with poor outcomes.

California lacks an authorizer accountability system or tools to intervene when authorizers fall short of expectations. Consequently, the State has no structured way to identify authorizers that need to improve nor mechanism to require or provide targeted supports to them. Without an authorizer accountability system, many authorizers struggle indefinitely. They remain unidentified and are not included in any performance improvement and support process.

6.1.3 Authorizers lack the unambiguous statutory authority and the tools needed for effective performance management and to fulfill other responsibilities.

When charter schools struggle, current law offers few unambiguous options between inaction and charter revocation. Authorizers are left with limited ways to address concerns as they emerge, in calibrated but enforceable ways. For example, authorizers lack legal clarity regarding documentation requirements, corrective actions, and proportionate interventions short of revocation.

Performance contracts like those used in most other states are not commonly used in California. The state’s unique approach makes it difficult for authorizers to intervene early or consistently. Instead, reasonable oversight often faces pushback and legal challenges. This resistance and conflict can slow or prevent needed responses to academic, operational, or financial problems.

Nonclassroom-based, independent study, hybrid or blended instruction and other specialized instructional models require monitoring and compliance structures that current state policy does always not fully support or align. Finally, California has a unique overall approach to assessing public school academic performance. Decision makers in the state have far less insight into student growth than their counterparts in other states. This reduces authorizers' ability to make informed judgements about charter school performance to inform high-stakes decisions.

6.1.4 The current authorizer funding system undermines effective oversight.

Authorizing requires substantial time, expertise, and sustained attention, yet many critical tasks receive no dedicated funding. Authorizing tasks and costs often are more event-driven than enrollment-driven. Application reviews, pre-opening monitoring, and post-closure work are among the most critical and demanding authorizer tasks, yet the current model fails to fund these responsibilities.

Small and rural authorizers feel these pressures most acutely. They often have less capacity in general, including challenges with limited staffing, providing them with fewer opportunities to build specialized expertise. To compensate for these weaknesses, some authorizers in small settings adopt a relationship-based approach. They substitute their proximity and familiarity for more formalized and professional processes. Relationship-based authorizing can work—to a point. Too often, this approach breaks down when things go badly, which is precisely when strong oversight is most needed. The misalignment between responsibility and resources weakens oversight capacity across the state.

At the same time, very large schools or networks of schools overseen by a single authorizer, particularly large NCB charter schools, often generate far more authorizer funding than is necessary for high-quality oversight. This excess creates disparities among authorizers, with some receiving more funding than they can reasonably use for oversight, while other authorizers lack the resources required even for minimally adequate practices. These mismatches also create distorted incentives that could discourage authorizers from scrutinizing low-performing schools that provide the authorizer with a lot of revenue.

6.1.5 Statewide technical assistance for authorizers remains uneven and fragmented and may not reach the authorizers that need it most.

Supports for California authorizers have advanced significantly in recent years. The valuable tools and trainings some authorizers receive have limited funding and require authorizers to dedicate precious time and resources. They also are entirely voluntary, unsupported by codified comprehensive authorizing standards or accountability mechanisms. Access to support depends heavily on authorizer engagement, as well as local capacity and geography. This leaves many authorizers without the guidance needed to carry out their complex oversight responsibilities. Ultimately, the lack of an authorizer accountability system makes it harder for the state to help the authorizers that need support and intervention the most.

6.2 Recommendations

To address these five overarching findings, this Study recommends five corresponding, overarching changes in California law, policy, and practice, each with a list of key elements. Some of these key elements set forth options or general principles rather than offering the kind of granular details that are negotiable but that could obscure or side-track the larger recommendation.

6.2.1 Strengthen fiscal oversight in most of the ways set forth in SB 414 and AB 84.

The three reports responding to recent scandals produced some aligned recommendations to modernize state systems, strengthen auditing, clarify fiscal-oversight expectations, and build investigative capacity. These changes reflected compromises among many stakeholders. The negotiated provisions included in the latest versions of both AB 84 and SB 414 should be enacted. Together, they would provide a strong foundation for the changes needed to ensure fiscal integrity. Strengthening fiscal-integrity safeguards—consistent with and extending task force recommendations—will close longstanding vulnerabilities and support strong charter school authorizing that addresses all authorizer responsibilities. However, findings across this Study show that legislation also should incorporate additional reforms focusing on authorizing.

Key elements of this recommendation should include the following:

- Establish an education Inspector General function available to support authorizers, insulated from politics, enjoying subpoena power, and afforded a suitably deferential standard of “reasonable suspicion” to initiate an investigation;
- Should it be deemed necessary to separate the prosecutorial function from the investigative Inspector General function, then strengthen prosecutorial resources and supports for education fraud cases, at both state and local levels, to help ensure that crimes result in prosecutions;
- Modernize state financial-verification and attendance data systems, and complete these changes (rather than just studying them) before the 2030 deadline for the completion of studies contemplated in AB 84;
- Strengthen audit standards and auditor training requirements, including more robust measures to address various self-dealing scenarios;
- Establish more specific requirements and authority to resolve charter school audit findings; and
- Establish more specific financial oversight requirements and authorizer financial oversight authority over enrollment and attendance data, credit and debit card transactions and notification of the county office of education and CDE about suspected financial malfeasance.

6.2.2 Codify detailed authorizer standards in state law, aligned with policy and guidance, hold authorizers accountable for fulfilling these standards, and intervene when they do not.

Codifying a statewide set of authorizer standards—building on California’s current professional practice and aligned with consensus national models—would establish clear statewide expectations across the entire charter school life cycle, including application review, performance monitoring, fiscal oversight, access and equity, intervention, renewal, and closure. It would provide the foundation for aligning policy, funding, evaluation, and support systems.

To operationalize the new standards, all relevant policies would need to be reviewed and realigned to resolve any contradictions, update any outdated requirements, and ensure that state and local oversight systems work in concert rather than at cross-purposes. These changes would advance state goals for quality and accountability while protecting the autonomy charter schools need to innovate and thrive.

An authorizer accountability and improvement system aligned with the expanded standards would provide transparency, enable targeted technical assistance, and reinforce common expectations that acknowledge the diversity of authorizers and authorizing contexts. The system should focus on building capacity and improving practice rather than punitive sanctions. In addition, such a system need not be administratively burdensome merely to confirm that an authorizer is meeting the new, heightened standards for quality authorizing. The fiscal and compliance auditing

requirements for authorizing proposed in legislation could serve as the foundation for a new system, rather than as a substitute for comprehensive changes.

Key elements of this recommendation should include the following:

- Leverage California’s existing professional authorizing standards from CARSNet and CCAP;
- Align these standards with national expectations for high-quality authorizing, adapted as necessary for the California context;
- Define responsibilities across the full charter school life cycle;
- Codify the standards in state law, including regulatory and nonregulatory guidance where appropriate, to establish a coherent and authoritative statewide framework;
- Update audit protocols and fiscal oversight requirements accordingly;
- Define and update state/local oversight roles;
- Remove conflicts or gaps that undermine implementation of the standards;
- Implement a standards-aligned authorizer evaluation framework, to be implemented by an appropriate state entity, that is administratively manageable, provides data-based feedback to authorizers, identifies any areas requiring improvement and support; and emphasize supports and continuous improvement rather than punitive measures.

6.2.3 Clearly establish more authorizer authority for charter performance management and intervention tools.

A shift to the use of charter performance contracts as in other states would create transparent, enforceable expectations aligned to the standards and would authorize proportionate interventions. Using charter applications and separate charter performance contracts also could make charter school opening and accountability simpler and more effective than it is now. This approach would help both authorizers and charter schools more than the current approach, which uses charter petitions for dual purposes—as an application proposal and as the foundational accountability reference.

Strengthening authorizers’ ability to measure and emphasize academic growth data in performance management tools, and clarifying oversight roles, would support timely and effective performance management.

These reforms would have the added benefit of making the entire charter oversight process more transparent, consistent, and cost-effective.

Key elements of this recommendation should include the following:

- Replace the current use of charter petitions with charter applications and charter performance contracts;
- Clarify and align authority and expectations around corrective actions, providing authorizers with a more incremental range of tiered intervention tools;
- Define oversight roles for districts, COEs, and the State; and
- Strengthen academic accountability measures, including measures of student growth, to inform high-stakes authorizing decisions.

6.2.4 Revise the authorizer funding system to support currently unfunded authorizing tasks, ensure that every authorizer has adequate resources and capacity to fulfill its responsibilities as clarified, and eliminate over-allocation of resources and the associated negative incentives.

Under a redesigned funding system, authorization even of small schools would generate sufficient resources to support quality authorizing. Even authorizers of one or two small charter schools need the resources to meet authorizer standards. In most cases, authorizer funding would be generated based on the charter school's LCFF as currently, but the amount an authorizer may retain from any one school or its entire portfolio would be capped. Excess funding would be shifted to a statewide pool and reinvested in essential oversight functions and statewide capacity-building. This approach would be revenue-neutral for both the State and the charter school sector. Yet it would strengthen the system as a whole, providing funding for currently unfunded authorizing functions and simultaneously addressing the problem of misplaced incentives tied to large NCB schools. This approach would be more effective than arbitrary proxies like district size.

Key elements of this recommendation should include the following:

- Create a predictable, authorizer funding model based on the improved state authorizer standards;
- Fund all of the tasks that a high-quality authorizer must perform through the entire charter life cycle, including those that are currently unfunded or that can become labor- and/or resource-intensive;
- Ensure adequate resources for all authorizers, regardless of the number and size of the charter schools they oversee, in way that accommodates each authorizer's capacity;
- Maintain aspects of the current structure, including how LCFF-based funding is calculated, but cap the amount of funding that any single authorizer may receive based on any one school's LCFF or their entire portfolio to remove any misplaced incentives for authorizing decisions; and
- Redirect any authorizer funding calculated based on the school's LCFF but above the authorizer's cap into a statewide pool that invests in:
 - Supplemental funding for small authorizers that lack adequate funding for authorizing based on their charter portfolio and/or enrollment;
 - Authorizer functions that are currently unfunded (e.g., application reviews, renewal evaluations, pre-opening oversight, investigations, and post-closure work);
 - Capacity-building for small and resource-constrained authorizers; and
 - Technical assistance and professional learning for authorizers.

6.2.5 Strengthen and systematize supports for authorizers, aligned to authorizing standards, and ensure they are available to all authorizers.

Building a coordinated and universal authorizer support system—drawing from and strengthening California's existing assets—is essential to ensuring that all authorizers have the tools, training, and expert guidance needed to implement the standards and carry out high-quality oversight across a diverse range of school models.

Key elements of this recommendation should include the following:

- Ensure equitable access to expertise and guidance for all authorizers;
- Provide specialized assistance for high-risk or complex oversight tasks;

- Consider whether to include in the expanded system the new grant programs proposed under SB 414 to support local authorizers with the costs of new oversight activities and additional training and mentoring opportunities.
- Leverage existing resources, including:
 - Federal funding through the CSP State Entity grant;
 - CCAP’s resources, trainings, and networking; and
 - CASI’s trainings, networking, and mentoring.

CONCLUSION

California policymakers and stakeholders should seize this important moment in the trajectory of California’s charter school journey to enact and implement bold and overdue systemic improvements. The stakes for California’s public education system and the children it serves are too high to let this opportunity pass.

This Study, and the many reports and recommendations that precede it, collectively point to a clear roadmap for action. The history of California’s charter school sector has provided ample evidence, to a string of thoughtful observers. We know what is working and not working in the state’s current approach to charter school authorizing.

California’s incoherent and outdated approach to authorizing will undermine efforts to enact any one change in isolation. To achieve the state’s policy goals for charter schools and public education, change should incorporate all the elements that contribute significantly to an effective authorizer system.

Few of the findings and recommendations above are novel or shocking. But taken together, these five recommendations draw on painful lessons and the state’s best authorizers to provide a comprehensive and coherent way for California to move forward.

APPENDIX A. CHARTER AUTHORIZING TASKS

The list of items below was generated by a taskforce convened by the NN4DA with CCAP to create an overview of all the work that a quality authorizer is expected to perform or that they must perform to meet standards of charter school authorizing. This work is based on the functions and activities described in national and state-specific versions of principles and standards for quality charter school authorizing and on the practices of experienced authorizers who have developed procedures and local policies that help them meet these standards. Almost all these practices are not codified in California law or regulation. Experienced authorizers from around the country believe these are standard operating procedures for a contemporary high-quality authorizer.

Items designated with “*” were considered best practices or optional practices pursued by large authorizers or those with a supportive approach to their charter schools. These practices include a mix of activities. Some are work that is implied by standards and that experienced authorizers believe is necessary to implement the standards with fidelity. Some of these best practices are more likely to be conducted by larger authorizers with more experience and capacity, while small and medium authorizers may lack the capacity to perform them.

These best practices also include activities that are performed by authorizers that are philosophically committed to supporting local charter schools as they serve students in their community(ies) or those seeking to integrate charter schools into their systems. For example, a district might include charter schools in all or part of its professional development activities designed for district operated schools. Some districts do so to address problems in their charter schools that affect their own schools too and other districts do so because they philosophically believe charters are part of their district. Others may choose not to do so for philosophical or political reasons.

1. Pre-Opening Tasks

Task	Evidence that it is done and considerations
a. Policy Development Codify procedures and expectations.	a. Authorizer has established policies, including describing: i. Receiving and reviewing charter applications. ii. *Roles and responsibilities of charter schools and authorizer’s office related to oversight and compliance.
b. Initial Authorizer Board Training Authorizers’ board understands their role and responsibilities.	a. Authorizer’s board receives briefing on charter school basics and authorizing. b. *All new board members from authorizer receive information on charter school basics and authorizing as part of “on-boarding”. c. *Authorizer board’s work facilitated by people with authorizing expertise. d. Authorizer’s board receives written information before charter decisions.
c. Staffing	a. Charters and applicants know who their main point of contact. b. Define how much FTE goes to authorizer-related functions. c. *Other offices beyond the authorizing office, or external parties, support authorizing functions.

Establish internal or external personnel resources.	d. *Other authorizer staff trained in the basics of charter schools, authorizing, and authorizer’s responsibilities.
d. New Charter Petition Review Appraise viability and quality of a charter applicant.	a. Policies and procedures guide the authorizer if petition received. b. Process fulfills all legal requirements. c. Established, documented evaluation criteria for petitions. d. *Items included as required by the state Charter School Program subgrant competition. e. External reviewers included in review committees. f. Petition review process includes a capacity interview. g. Reasons for denial articulated in the final resolution, if needed. h. Justifications for denial aligned with state law. i. *All reviewers trained in authorizing and authorizer’s procedures. j. *Engage reviewers in a “norming” or “calibrating” process to strengthen reliability and improve input.
f. Technical Support for Applicants Provide technical assistance to applicants.	a. *Authorizer provides technical assistance to applicants. b. *If so, authorizer defines the process and scope of assistance.
g. Chartering / Contracting Define roles, responsibilities, and expectations of all actors.	a. Grant initial charter terms of five years. b. *If allowed by state law, grant conditional approvals and/or renewals. c. *If allowed by state law and applied, charter contract specifies the details of annual reviews or more frequent reviews that examine key aspects of the charter’s program that are mission specific. d. If an applicant were approved, prepared to oversee charter agreement execution and pre-opening expectations. e. *“Year Zero” Milestones addressed in an application approval action and MOU.
h. “Year Zero” Monitoring and Approvals Confirm completion of benchmarks and milestones prior to opening.	a. Generic pre-opening checklist for all charter schools. b. Approval process generate school-specific benchmarks and milestones. c. Prepared to confirm completion of benchmarks and milestones. d. Identify who will oversee progress. e. Authorizer ready to complete tasks it is assigned during Year Zero. f. *Authorizer supports charter founding groups during Year Zero.
i. Charter Integration into District Based on authorizer philosophy and	a. *If using unified enrollment system, charter schools are included. b. *Establish fee-for-service offerings. c. *Authorizer’s trainings for their own schools are available to charter schools.

orientation toward charters.	
j. Ongoing Authorizer Board Training and Engagement Ground decisions in requirements and best practices.	a. Authorizer’s new board members trained on authorizing responsibilities. b. Authorizer’s board periodically trained on authorizing responsibilities. c. *Authorizer’s board periodically reviews district authorizing policies. d. *Set annual goals for authorizing work. e. *Evaluate work as an authorizer independently (or participate in authorizer evaluations in partnership with other parties). f. *Board asks questions or requests data related to charter schools?

2. Operations

Task	Evidence that it is done and considerations
a. Monitoring and Oversight Track performance and compliance obligations.	a. Monitor schools’ performance and compliance in key areas: <ul style="list-style-type: none"> i. Academic ii. Operational and compliance iii. Finance b. Review each schools’ financial audits annually. c. Separate performance frameworks for each key area: <ul style="list-style-type: none"> i. Frameworks and results included in annual reports to schools. ii. Frameworks and results incorporated into the body of evidence used during renewal. d. Monitor issues of legal compliance. e. Monitor the charter school’s Governing Board operations, including: <ul style="list-style-type: none"> i. Open Meetings and “sunshine” requirements. ii. Governing Board independence and conduct.
b. Developing and Using an Oversight System Create and use a system to reduce burden and strengthen oversight.	a. Formalized and systematic monitoring process. b. *Set annual goals for charter school performance in your charter contract. c. *Oversight system honor appropriate school autonomy. d. *Authorizers seeks ways to reduce burden on authorizer and schools. e. *Use an authorizer-specific technology application to facilitate data gathering and interaction with schools you oversee.
c. Annual Report Summarize and report on performance and compliance, e.g., report to each charter school from the authorizer.	Annual Reports: <ul style="list-style-type: none"> a. Provide an authorizer-created annual report to your schools. b. Aligned with results from performance frameworks in all appropriate areas (e.g., academic, finance, operations and compliance). c. *Discussed at a meeting of the authorizer’s Board. d. *Incorporated into the body of evidence for renewal. e. *Communicated directly to charter school Governing Boards. f. *Posted on the authorizer’s website. g. *If reports are posted, include all academics, finance, and compliance.

	<ul style="list-style-type: none"> h. *If using a technology application for authorizing (e.g. Epicenter, Reportwell, or Anvillar, etc.) feeds into annual reporting and renewal process.
<p>d. Intervention</p> <p>Identify and prompt change at school if necessary.</p>	<ul style="list-style-type: none"> a. Know when and what issues warrant intervention. b. Have tiered interventions supported by MOU and policy. c. Have a system to follow-up to track school change after interventions. d. Interventions included in the body of evidence for renewal.
<p>e. Student Rights and Special Populations</p> <p>Ensure all student rights are honored and required services provided.</p>	<ul style="list-style-type: none"> a. All students, including those with disabilities, multilingual learners, and all other protected classes of students, welcome and served appropriately and in compliance with law. b. Officially articulate or codify the rules of the authorizer and the charter school for the design and implementation of programs for special populations.
<p>f. Site Visits</p> <p>Observe desired and required practices and behaviors.</p>	<ul style="list-style-type: none"> a. Conduct site visits as a general practice. b. Renewal process includes renewal site-visit. c. Site visit process includes established rubrics and guides to inform staff conducting them. d. Charter schools receive report summarizing site visit findings. e. Site visit findings inform interventions when necessary. f. Charter school allowed to provide feedback on the site visit summary report. g. Site visits automatically inform the annual report for each charter school. h. *Conduct site visits for specific topics (e.g., security, special populations, or other focus areas). i. *If conducting specific topic site visits, schools informed of approach.
<p>g. Support to Schools</p> <p>Providing both mandated and optional support to charter schools.</p>	<ul style="list-style-type: none"> a. Fulfill collaboration and oversight functions for the basic aspects of charter schools' inclusion in your Local Education Agency (LEA) for the purposes of state and federal programs and funding. b. Process to receive and address complaints or concerns. c. Process to address issues related to: <ul style="list-style-type: none"> i. Student discipline; ii. School safety; and iii. Impropriety. d. Charter schools included in authorizer's regular professional development. e. *Receive and oversee implementation of school improvement plans. f. *Include charter schools in grant applications or facilitate and submit grant applications on behalf of charter schools.

3. Renewal, Revocation, and Closure

<p>a. Renewal</p> <p>Assemble and evaluate body of evidence.</p>	<ul style="list-style-type: none"> a. Established criteria for renewal, i.e., you describe what specifically warrants nonrenewal or revocation. a. Charter schools know the criteria for renewal. b. Renewal criteria comprehensive, including: <ul style="list-style-type: none"> i. Academic, operational, and financial data from your performance frameworks; ii. Current year as well as trend data over time; iii. *Qualitative data? (e.g., survey data from school-created surveys, or state administered instruments); and iv. *Data unique to each school’s mission and purpose. c. Charter has opportunity to respond to findings prior to a final decision. d. Oversight process, including annual reporting process and interventions, help produce a comprehensive body of evidence for renewal. e. Ready to execute a renewal process. f. Renewal recommendation reports posted on the authorizer website. g. *Have a process for conditional renewals or renewals for a shorter terms.
<p>b. Revocation</p> <p>Reach a decision to close an operating school.</p>	<ul style="list-style-type: none"> a. Ready to conduct a revocation process.
<p>c. Closure</p> <p>Protect student, authorizer, and public interests during closure.</p>	<ul style="list-style-type: none"> a. Have an established closure protocol. b. During closure: <ul style="list-style-type: none"> i. Ensure students' interests are well-served. ii. Meet legal and financial obligations. c. After closure, student records protected and archived.

APPENDIX B. CALIFORNIA AUTHORIZING BY THE NUMBERS: SMALL AND LARGE CHARTER ENROLLMENTS AND AUTHORIZER FUNDING

This Appendix explores charter school enrollment, authorizer size, and authorizer funding using a dataset from the California Department of Education (CDE) for the 2024-25 school year. It describes:

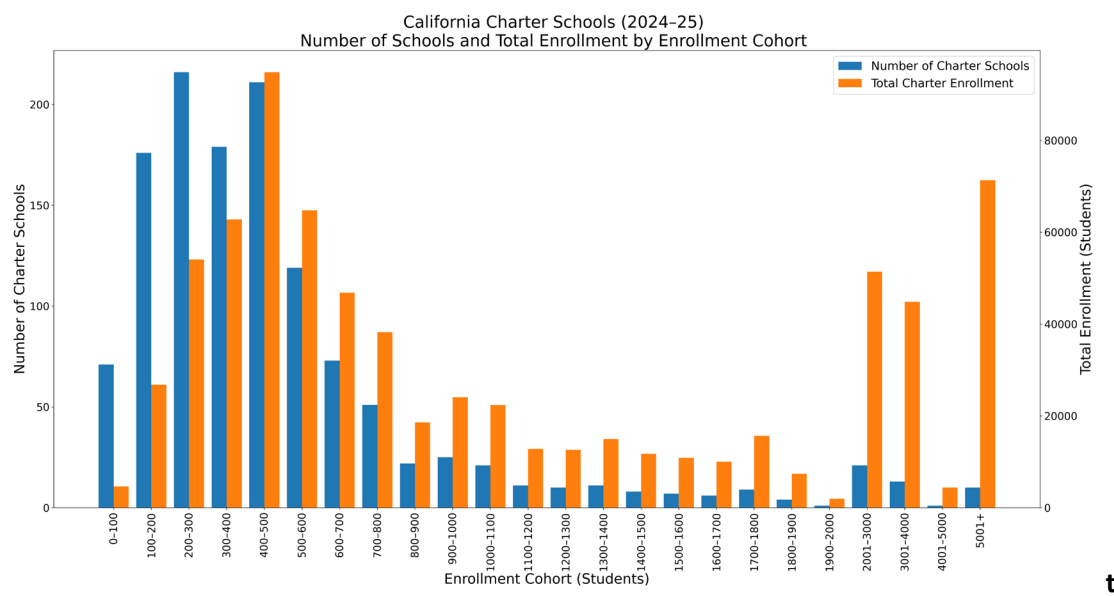
- 1. The distribution of charter schools by size;
- 2. The distribution of schools overseen by authorizers and the related enrollment;
- 3. Funding implications of these distributions; and
- 4. A conceptual approach to better aligning authorizing funding to authorizing costs.

Many Small Charters Generating Little Authorizer Funding

For the 2024–25 school year, the dataset includes 1,276 California charter schools with a total enrollment of 727,723 students. The average (mean) charter school enrolls approximately 570 students, while the median enrollment is 398 students, meaning that half of charter schools enroll fewer than 398 students. The gap between the mean and the median indicates a right-skewed distribution, where a relatively small number of very large charter schools raises the average enrollment above what is typical for most schools. Many of the largest schools are nonclassroom-based (NCB) charter schools.

The number of charter schools arrayed by size is skewed toward a higher proportion of small schools, indicated by the blue bars in Figure 1. The total enrollment of charter school students is bi-modal, indicated by the peaks in the orange bars at either end of the figure. While most charter students are in small or medium-sized charters, a few very large charter schools also enroll a great many students.

Figure 1. Number of Charter Schools at Enrollment Levels and Total Enrollment of All Schools in Each

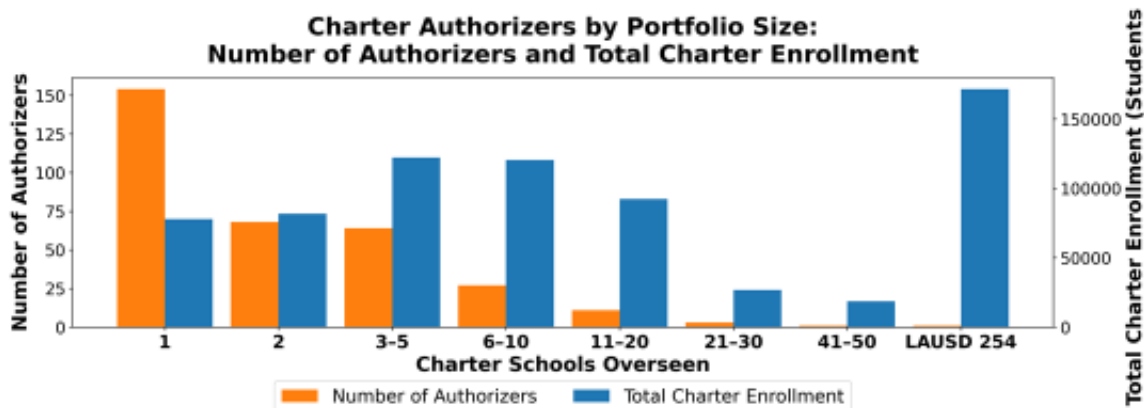


Number of Schools Per Authorizer

Most authorizers oversee very few charter schools (See Figure 2). **More than two-thirds of authorizers (67.5%) oversee one or two charter schools**, while fewer than **5% of authorizers oversee more than ten charter schools**. **One hundred fifty-four** authorizers oversee **just one charter school**, collectively enrolling **77,873 students**; 68 authorizers oversee **two charter schools**. **At the other end of the continuum**, 15 authorizers oversee **11-50 charter schools**, while **Los Angeles Unified School District (LAUSD)** alone oversees **254**, serving **171,486 students**. In this dataset there are 329 total authorizers, of which 285 are school districts and 44 are county offices of education (COE).

Key for later analysis, there are 71 charter schools with fewer than 100 students and 245 schools with fewer than 200. At the other extreme, 23 schools serve more than 3,000 students. The authorizer funding is related to how many students are enrolled in all the charter schools that an authorizer oversees. Fourteen authorizers oversee fewer than 100 students, and 27 oversee 101 to 200 total charter students. Seventy-three authorizers oversee schools enrolling more than 2000 students.

Figure 2. Authorizers by the number of charter schools overseen and enrollment by cohort



Authorizer Funding Implications of The Charter Distribution

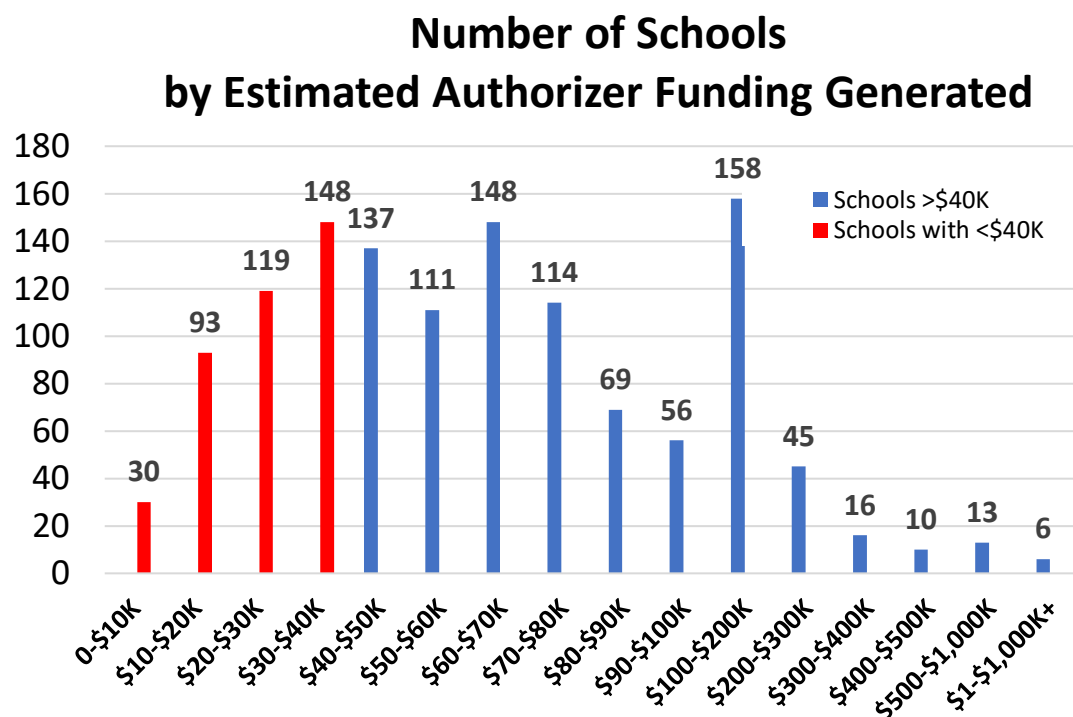
In California, authorizer funding is based, through the Local Control Funding Formula (LCFF), largely on the number of charter school students enrolled in all the charter schools each authorizer oversees. In most cases, authorizers receive 1% of the funding each charter school generates from the state based on that school's Average Daily Attendance (ADA). In some circumstances, the district may receive more than 1%. Funding generated by a school's ADA varies as well, affected by the type of school and student characteristics. This analysis explores these dynamics, based on data from the 2024-25 school year, assuming a 1% authorizer funding rate and a \$15,000/student ADA funding. These assumptions are realistic for California. For a charter school with 100 students, these assumptions generate \$15,000 in authorizer funding, or \$150 per charter student.

Under this system, the state's smallest charter schools generate less than \$10,000, while the largest charter schools can generate more than \$1 million. Because the work of authorizing does not increase in a linear fashion, this can result in a mismatch between the authorizer funding a charter school generates and the authorizer's costs of overseeing that school. Authorizers of small schools may receive too little authorizer funding to do their work, and authorizers of the largest charter schools may generate considerably more authorizer funding than needed to do their work.

If we assume an authorizer will need to spent about \$30,000 to \$40,000 per year to authorize the first school in its portfolio, there are 342 charter schools that generate less than \$30,000 in authorizer funding, and another 148 schools that generate between \$30,000 and \$40,000 (see Figure 3.)

There are also a small number of charter schools that generate a large amount of authorizer funding. Six schools generate more than \$1 million, and 13 more generate between \$500,000 and \$1 million.

Figure 3. Number of authorizers by estimate authorizer funding level



Fourteen district-authorized charter schools serve fewer than 100 students (see Table 1). These schools collectively serve 873 students. Each district receives from \$2,250 to \$14,500 to authorize its school, for an average of \$9,354. Each district authorizes only one charter school.

Table 1. District-Authorized charter schools with fewer than 100 student and estimated authorizer funding*

District	School	Charter Enrollment	Authorizing Funding
Bass Lake Joint Union Elem.	Yosemite-Wawona Elementary Charter	15	\$2,250
Lindsay Unified	Loma Vista Charter	24	\$3,600
Penn Valley Union Elem.	Vantage Point Charter	33	\$4,950
Chicago Park Elem	Chicago Park Community Charter	43	\$6,450
Oakdale Joint Unified	Oakdale Charter	56	\$8,400
Round Valley Unified	Eel River Charter	63	\$9,450
Arena Union Elem.	Pacific Community Charter	64	\$9,600
Bonsall Unified	Vivian Banks Charter	71	\$10,650
Moorpark Unified	Ivy Tech Charter	72	\$10,800
Ojai Unified	Valley Oak Charter	75	\$11,250
Fort Bragg Unified	Three Rivers Charter	81	\$12,150
Wheatland	Wheatland Charter Academy	89	\$13,350
San Marcos Unified	Pivot Charter School - San Diego II	90	\$13,500
Antelope Elem.	Lassen-Antelope Volcanic Academy	97	\$14,550
	Total	873	\$130,950

*Funding estimated at 1% of ADA funding generated from an estimated ADA of \$15,000/student.

Collectively, these 14 schools generate an estimated \$130,950 in authorizer funding. It would take an additional \$289,050 to get each authorizer up to \$30,000 in authorizer funding.

Largest Charter Schools

There are a small number of districts that oversee large charter schools, or a group of schools with a collective enrollment that is much greater than their district's non-charter enrollment, (see Table 2). Four districts oversee 26 schools that collectively enroll more than 40,000 students and generate more than \$6 million. Their own non-charter students represent 5.6 percent of their charter school's total enrollment.

If we expand this list to include the top 10 districts, based on the ratio of non-charter to charter enrollment, there are 60 schools with 66,564 students that generate more than \$10 million in authorizing funds.

Table 2. Top districts by the ratio of charter school enrollment to district non-charter enrollment

Number of Top Districts	Charter Schools	Charter Enrollment	District Enrollment	Total Authorizer Funding	District Enrollment as Percent of Charter Enrollment
4	26	40,738	2,283	\$6,110,700	5.6%
10	60	66,564	3,379	\$10,335,000	5.1%
15	70	77,446	4,061	\$11,967,300	5.2%

Reallocating Funds to Address Mismatched Funding

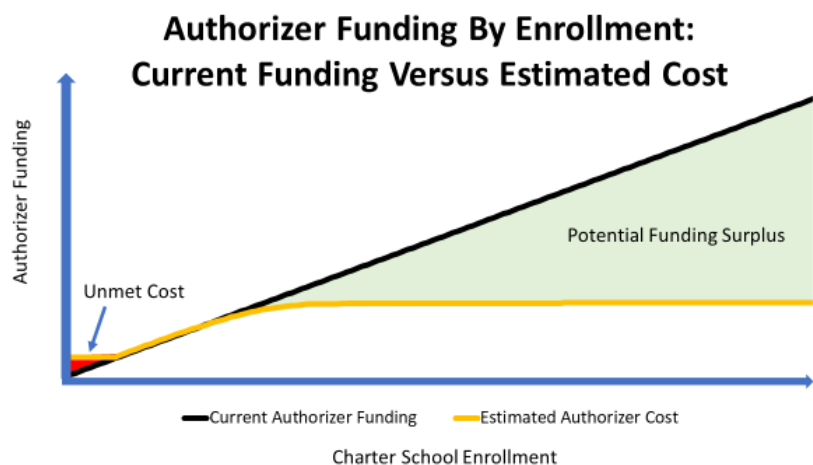
California might reallocate a portion of the funding generated for authorizer funding from its largest NCB charter schools to supplement the authorizer funding of small authorizers. The state could also pool excess funding above what is needed to oversee its largest schools, to help smaller authorizers pay for unexpected costs that are currently not funded at all.

Conceptually, the state could increase authorizer funding for small charter schools and small authorizers by taking a portion of the funds that currently go to the authorizers of large charter schools or large portfolios of schools. Figure 4 illustrates this concept.

The current authorizer funding system is represented by the black line created by a linear function of \$150/charter school student. The authorizer costs are approximated by assuming every charter school needs a set amount, like \$35,000 to be authorized as long as enrollment is below a certain point, such as 200 students. The authorizing cost then increases with the number of schools and students that are overseen, up until a point where the authorizing cost plateaus, or continues to increase at a greatly reduced rate, indicated by the yellow line.

The green area represents potential excess funding some authorizers receive, and the red area represents an individual school's unmet costs. A single large school could help many small schools meet their unmet need. For example, if a large charter schools contributed a portion of the authorizer funding they currently provide to their authorizing districts, at the same authorizer funding rate, it would take 1,927 of their students to fill the gap identified in Table 1.

Figure 4. Authorizer Funding: Unmet Cost and Potential Funding Surplus



Policy Options

The dynamics above provide information that could inform policy changes in California to better align authorizer funding with authorizer costs. Many authorizers could receive funding that allows them to fulfil their authorizing obligations without additional state funding. By reallocating a portion of the authorizer funding generated by the largest charter schools and charter portfolios, the state could provide resources needed to ensure charter school oversight. This would simultaneously decrease the excess funding some authorizers receive that may create incentives to approve and maintain low-quality charter schools, while also maintaining the funding drawn from the largest charter schools, to avoid providing a windfall to schools.