AMENDED IN SENATE AUGUST 19, 2016 AMENDED IN SENATE JUNE 6, 2016 AMENDED IN ASSEMBLY JANUARY 4, 2016

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 1084

Introduced by Assembly Member Bonilla

February 27, 2015

An act to add Section 47604.2 to amend Section 47604 of the Education Code, relating to charter schools.

LEGISLATIVE COUNSEL'S DIGEST

AB 1084, as amended, Bonilla. Charter schools: for-profit entities. operation.

Existing law, the Charter Schools Act of 1992, authorizes a charter school to elect to operate as, or be operated by, a nonprofit public benefit corporation, as specified.

This bill, commencing with the 2017–18 school year and each school year thereafter, would do both of the following: (1) prohibit a virtual or online charter school, as defined, from being owned or operated by, or operated as, a for-profit entity; and (2) prohibit a nonprofit online charter school, nonprofit charter virtual academy, and a nonprofit entity that operates an online or virtual charter school from contracting with a for-profit entity for the provision of instructional services. on July 1, 2017, would instead require that a charter school only operate as, or be operated by, a nonprofit public benefit corporation, a school district, a county office of education, or the University of California.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

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The people of the State of California do enact as follows:

1 SECTION 1. Section 47604 of the Education Code is amended 2 to read:

- 47604. (a) Charter schools may elect to operate On and after July 1, 2017, a charter school shall only operate as, or be operated by, a nonprofit public benefit corporation, formed and organized pursuant to the Nonprofit Public Benefit Corporation Law (Part 2 (commencing with Section 5110) of Division 2 of Title-1) I of the Corporations-Code). Code), a school district, a county office of education, or the University of California.
- (b) The governing board of a school district that grants a charter for the establishment of a charter school formed and organized *as a nonprofit public benefit corporation* pursuant to this section shall be entitled to a single representative on the board of directors of the nonprofit public benefit corporation.
- (c) An authority that grants a charter to a charter school to be operated by, or as, a nonprofit public benefit corporation is not liable for the debts or obligations of the charter school, or for claims arising from the performance of acts, errors, or omissions by the charter school, if the authority has complied with all oversight responsibilities required by law, including, but not *necessarily* limited to, those required by Section 47604.32 and subdivision (m) of Section 47605.

SECTION 1. Section 47604.2 is added to the Education Code, to read:

- 47604.2. Notwithstanding any other law, commencing with the 2017–18 school year, and each school year thereafter:
- (a) A virtual or online charter school shall not be owned or operated by, or operated as, a for-profit entity. For purposes of this section, "virtual or online charter school" means a charter school in which at least 80 percent of teaching and pupil interaction occurs via the Internet.
- (b) A nonprofit online charter school, nonprofit charter virtual academy, or a nonprofit entity that operates an online or virtual charter school shall not contract with a for-profit entity for the provision of instructional services.