



POLICY ANALYSIS

MEASURE: Assembly Bill 84 – Charter School Restrictions Disguised as Accountability

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AMENDED VERSION: July 8, 2025

VOTE THRESHOLD: Majority

STATUS: Pending in Senate Education Committee

PREVIOUS VOTES:

- Assembly Floor (6/5/25): 43 (AYE), 25 (NO); 11 (ABSTAIN)
- Assembly Appropriations Committee: (5/23/25): 10 (AYE), 3 (NO); 2 (ABSTAIN)
- Assembly Education Committee (4/30/25): 7 (AYE), 2 (NO); 0 (ABSTAIN)

POSITION: STRONGLY OPPOSE

DATE OF ANALYSIS: July 10, 2025

EXECUTIVE SUMMARY

Assembly Bill 84 imposes sweeping and unnecessary new restrictions on California’s charter schools under the guise of enhancing “accountability.” It creates bureaucratic hurdles, financial burdens, and operational mandates that threaten the viability of nonclassroom-based (NCB) charter schools—public institutions that serve students with diverse and often challenging educational needs.

The bill does not apply these burdens evenly across all public schools, making clear its intent: reduce the autonomy and growth of charter schools and restrict parental choice. At a time when California families are demanding more flexibility and innovation in education, AB 84 doubles down on a centralized, compliance-driven model that serves special interests—not students.

ARGUMENTS IN SUPPORT (proponents’ perspective)

Supporters argue that AB 84:

- Responds to high-profile fraud cases like A3 Charter Schools that occurred several years ago, by tightening audit standards and fiscal controls;
- Aligns charter school oversight with district processes to ensure consistency;
- Improves transparency in funding determination and enrollment reporting;
- Protects public funds by regulating parental spending of education dollars on enrichment services;
- Expands the role of authorizers and state agencies in detecting and preventing abuse.



ARGUMENTS IN OPPOSITION (California Policy Center perspective)

AB 84 unfairly blocks small school districts from approving charter schools, instead handing that responsibility to larger districts or county boards. It also allows those larger agencies to charge unlimited oversight fees. This could greatly reduce education choices in smaller communities without any clear benefit. There's no evidence that larger districts provide better oversight—especially since fees are based on how many students a charter school has, not the size of the district. Oversight quality depends on many factors, and right now, there's no real accountability for how oversight is done or how the fees are used.

Charter schools are already subject to regular audits, and ongoing oversight by their chartering authorities (e.g., the district or county authority that authorized their charter). This oversight includes not only financial accountability, but also accountability for the performance of the school. On the other hand, traditional public schools are frequently allowed to fall into financial distress and produce poor educational outcomes, with no mechanism to force change.

The bill would create a new Office of the Education Inspector General, to be filled by Governor's appointment. This adds another layer of bureaucracy to an already-heavily-regulated education option, when current oversight mechanisms have already proven to be effective in catching and stopping fraud in charter schools.

Here are a few other reasons that the California Policy Center strongly opposes AB 84:

- It unfairly targets charter schools;
- It restricts parental choice, especially for families who cannot afford private schools or the possibility of moving to another school district;
- It imposes burdensome regulations unequally upon public schools, not holding public school to account for their many fiscal and academic failures;
- It reinforces a failing status quo of state sponsored educational options, forcing families to stay dependent to a failing neighborhood school if they could otherwise not afford private school or for whom private school affidavit options would be too cumbersome;
- It was developed through an opaque process without really considering the needs of charter schools, families or students.

OTHER CONSIDERATIONS

Should AB 84 become law, it would have a dramatic and immediate impact on other educational modalities, including homeschoolers, micro schools and private schools that may avail themselves of various charter school resources.



Charter schools pay the local education agency (LEA, usually a school district) that oversees them a fee, usually 1 percent to 3 percent of their total revenue, for administrative and oversight tasks. They may also pay separately for using LEA facilities (such as schools) or services like professional development or special education, with costs negotiated. For certain state-funded programs (like ASSETs and ASES), at least 85% of funds must go to direct school services, with up to 15% for administrative costs.

By shutting down charters, school districts may lose these revenues and students associated with the charter school, ultimately proving to be a net-negative for the fiscal position of the district.

Current law already provides sufficient oversight options for charter schools gone awry, negating the need for this law. If the author is successful with this proposal, and adds new, redundant and unnecessary layers of bureaucracy and regulation – further suffocating charter schools – they would need to decide if the benefits of serving a needy population exceed the additional costs of compliance. For many charter school, the costs are already high enough.

BACKGROUND

Charter schools were designed as a different kind of model for public education, providing alternative options to parents outside of their traditional, neighborhood schools. Unlike school districts, charter schools must meet specific academic and financial benchmarks to have their charters renewed every 5 years. This renewal process is rigorous and based on:

- Student academic performance, including state test scores and growth measures;
- Fiscal solvency and responsible financial management;
- Compliance with state laws and the school's own charter petition;
- Equitable access and nondiscriminatory enrollment practices.

If a charter school fails to meet these criteria, it can be denied renewal and closed, something that does not happen to traditional district schools with similar performance or financial challenges.

In addition, charter schools are overseen by their authorizing districts or county offices of education, subject to annual independent audits, and monitored through compliance with laws covering everything from special education to health and safety.

So, while it's absolutely appropriate to expect accountability for public funds, it's important to recognize that charter schools already face distinct and rigorous oversight mechanisms, often beyond what traditional schools are required to navigate.



Additionally, California charter schools—particularly NCB models—have long served students who struggle in traditional classrooms. These schools provide personalized learning, online instruction, and independent study options to tens of thousands of students annually. Their popularity continues to grow as families seek flexible, effective alternatives in the wake of the pandemic and ongoing learning loss.

BILL DIGEST – WHAT AB 84 DOES

Creates new bureaucratic layers:

- Office of the Education Inspector General
- Charter Authorizing Support Team at the Fiscal Crisis and Management Assistance Team (FCMAT)

Overhauls audit requirements for NCB charter schools with audits, training, and new audit scope

Restricts charter school operations with competitive bidding, contract bans, LCFF use limits and prohibits schools from paying for instructional programs not offered by a credentialed teacher

Prohibits private religious organizations or schools from serving as charter contractors

Caps charter school growth and limits NCB authorizations for small districts

Implements unnecessary mandates on credentialing and reporting

CONCLUSION

AB 84 is not about accountability—it is about control. It reflects a coordinated effort by entrenched interests to eliminate competition from charter schools by burying them in red tape. Students, not systems, should come first in education policy.

California policymakers should reject this flawed bill and instead focus on empowering families, supporting innovation, and expanding successful models that meet the needs of every child.

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