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# Client Advisory



## Education Budget Trailer Bill (AB No. 130) Grants Extension to Charters, and Extends the Moratorium on New Non-Classroom Based Charter Schools

July 19, 2021

On July 9, 2021, the Governor's signature codified into law Assembly Bill 130, the Education Omnibus Budget Trailer Bill. As has been the case with trailer bills in prior years, AB 130 makes multiple changes to the Charter Schools Act, effective immediately.

### **Renewal Term Extensions**

AB 130 adds Education Code section 47607.4 to specify that all charter schools whose term expires on or between January 1, 2022 and June 30, 2025, shall have their term extended by two additional years. For example, a charter school with a current term expiring June 30, 2022, would be extended until June 30, 2024. In this example, the charter school will then need to submit a petition seeking renewal of its charter for a term commencing July 1, 2024, and running for two, five, or seven years, dependent upon whether it is low, middle, or high performing charter school.

Any low performing charter school that was renewed for a two-year renewal term commencing July 1, 2021, will have their charter term extended through June 30, 2025. Any middle or high performing charter schools that were newly authorized or renewed for a term commencing July 1, 2021, will not be entitled to an extension since their term will run through June 30, 2026.

Charter authorizers may wish to update and extend any MOUs or other agreements with charter schools to coincide with the extended charter term period.

### **New Non-classroom Based Charter Schools Moratorium Extension**

AB 130 also amends Education Code section 47612.7 to extend the moratorium on the establishment of any new non-classroom based charter school for three additional years through January 1, 2025. This extension was made essentially to allow the Legislature additional time to work on legislation to address the loopholes that lead to the misappropriation of public funds and fraud by unscrupulous non-classroom based charter schools, including A3 out of San Diego County. The moratorium extension was included in AB 130 by Governor Newsom as part of a compromise with California legislators who in turn dropped AB 1316, drafted to address these abuses.

If you have any questions regarding the changes implemented by AB 130, please do not hesitate to contact a [DWK attorney](#) in our [Charter Schools practice group](#).

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