

Revised Final Statement of Reasons

The Initial Statement of Reasons is included in the file. The information contained therein is supplemented as set forth below.

At the April 25, 2005, meeting of the Education Audit Appeals Panel (EAAP), the Panel considered regulations for the audit guide for K-12 local education agency (LEA) audits for the 2005-06 fiscal year. The Panel adopted emergency regulations and authorized staff to begin the regular rulemaking process for the eventual adoption of permanent regulations.

The Notice of Proposed Rulemaking for the permanent regulations was published in the California Notice Register on May 6, 2005. The public hearing on the proposed permanent supplemental regulations was held June 20, 2005; testimony was given by two persons. Those two persons and five others submitted written comments during the 45-day comment period.

At the June 24, 2005, EAAP meeting, the Panel considered the public comments and adopted final audit guide regulations for fiscal year 2005-06, including a non-substantive change in Section 19851¹ and additional references in the notations following the proposed new sections. Nonsubstantive changes were also made in Section 19814.1(a)(2)² and in Section 19853.³

Technical, Theoretical, or Empirical Studies, Reports, or Documents

EAAP did not rely on any technical, theoretical, or empirical studies, reports, or documents in proposing the adoption of these regulations.

Request That Regulations Become Effective Upon Filing

EAAP requests that the regulations in the current rulemaking file become effective upon filing. Education Code Section 14502.1 requires EAAP to adopt audit guide regulations pursuant to the rulemaking procedures of the Administrative Procedure Act by July 1 of the fiscal year to be audited. These regulations will replace the emergency audit guide regulations that became effective May 6, 2005. Together with the remainder of Chapter 3 of Division 1.5 of Title 5 of the California Code of Regulations, these regulations constitute the LEA audit guide for fiscal year 2005-06.

Alternatives Determination

The Education Audit Appeals Panel has determined that no alternative would be more effective in carrying out the purpose for which these regulations are proposed or would be as effective and less burdensome than the proposed regulations.

Local Mandate Determination

The proposed regulations do not impose any mandate on local agencies or school districts.

¹ The word “any” is deleted from the first sentence of Section 19851.

² Section 19814.1(a)(2) was conformed to sections 19817, 19817.1, 19826, 19826.1, 19828 and 19828.1 which have prefatory phrases that restrict their applicability by fiscal year.

³ In Section 19853(c), the font style and case of the reference to the form charter schools submit for a nonclassroom-based funding determination is changed from italic and initial caps to regular font and all lower case.

**Response to Comments Received During the Public Notice Period:
May 6, 2005, to June 20, 2005**

The first two of the persons listed below gave oral testimony at the public hearing on June 20, 2005; they and five others submitted written comment during the comment period:

Jeff Rice, Founder/Director of APLUS+, the Association of Personalized Learning Services

David Patterson, Executive Director, Rocklin Academy

Gary Borden, CharterVoice

Colin A. Miller, Director, Policy and Research, California Charter Schools Association

Paul Minney, Attorney at Law, Law Offices of Spector, Middleton, Young & Minney
(co-signers: Jessica J. Hawthorne, Attorney at Law; Eric Premack, Charter Schools Development Center; Colin Miller, California Charter Schools Association; David Patterson, Rocklin Academy; Gary Borden, CharterVoice)

Joanna Lennon, Executive Director, East Bay Conservation Corps

Buzz Breedlove, Executive Director, John Muir Charter School

No one commented on the proposed changes in sections 19814 and 19814.1 or proposed new sections 19852 and 19853.

Comments on specific sections of the proposed regulations:

§ 19850. Contemporaneous Records of Attendance.

Comment: Mr. Rice (in his oral testimony): “The second point I wanted to make has to do with the requirement for both contemporaneous records as well as a time value requirement. We question whether or not there is a statute to support both the use of contemporaneous records as well as the time value element.”

EAAP Response: Education Code Section 47612.5 provides, in part, “(a) Notwithstanding any other provision of law and as a condition of apportionment, a charter school shall do all of the following:…¶(2) Maintain written contemporaneous records that document all pupil attendance and make these records available for audit and inspection.” No “time value requirement” is addressed in these regulations (such a requirement is found in Education Code Section 51747.5(b), which is made applicable to charter schools by Section 47612.5(b)).

Comment: Mr. Borden (page 3, second heading): “The proposed requirement that auditors recalculate charter schools ADA is overly burdensome, costly, and beyond the agency’s statutory authority. ¶ Sections 19850(b) and 19851(e) inappropriately subject charter

schools to Code section 46303, from which charter schools are exempt...pursuant to Code section 47610. Applying this Code section to charter schools through regulation...conflicts with current Code section 47605(b)(5)(I) that prescribes how charter school audit deficiencies shall be addressed.”

EAAP Response: Proposed Section 19850(b) directs auditors, if any inappropriately reported units of Average Daily Attendance (ADA) are identified through the procedure prescribed in subdivision (a) of that section, to state the correct number of units of ADA in the audit report. To do so, auditors are directed to recalculate the correct number of units of ADA consistent with the provisions of Education Code Section 46303, which provides that fractional units of ADA shall be rounded “If any computation of average daily attendance made under, or necessitated by, any provision of law, results in a fraction....” Education Code Section 46303 is not a law “governing school districts” from which charter schools are exempted by the provisions of Education Code Section 47610; it instead governs “any computation of ADA made under, or necessitated by, any provision of law.” More to the point, the regulation addresses the responsibilities of auditors, not charter schools.

§ 19851. Nonclassroom-Based Instruction/Independent Study.

Comment: Mr. Minney (page 5, second full paragraph): “It appears that the proposed Permanent Regulations relating to charter schools is its own section of the K-12 Audit Guide. It is therefore a presumption that the provisions relating to materiality and auditor’s judgment (§§ 19815, 19816) apply to the Permanent Regulations.”

Mr. Miller (page 1, last paragraph): “The audit threshold for Independent Study lacks a reasonable test of materiality as indicated in the phrase, ‘if *any* average daily attendance’ on line 11 of page 11. The implication that even the smallest portion of ADA at a school is generated through independent study then the auditor would be required to perform the full test, goes beyond any standard of reasonableness and is not required of other K-12 LEAs. Therefore we request that ‘any’ be struck from line 11 on page 11, and ‘a material level of’ be inserted in its place.”

Mr. Patterson (page 1, paragraphs numbered “2)” and “3),” page 2, paragraph numbered “4),” and oral testimony) echoes the same concerns and recommendations regarding materiality and auditor judgment.

EAAP Response: Article 4. Charter Schools is an integral part of the audit guide.⁴ Therefore, the materiality levels specified in Section 19815 and the exercise of professional judgment by an auditor as stated in Section 19816 do apply to audits of charter schools. There are also provisions in Article 3 that may apply to individual charter schools, such as Section 19826 or 19826.1 regarding Class Size Reduction.

⁴ The audit guide consists of Article 1. General Provisions, Article 2. Audit Reports, Article 3. State Compliance Requirements, and now Article 4. Charter Schools (Title 5 §§ 19810 through proposed § 19854). An audit guide booklet for each fiscal year is available at <http://www.eaap.ca.gov> .

EAAP accepts the suggestion that the word “any” be deleted from the first sentence of Section 19851, as a nonsubstantive alteration to avoid possible confusion about the application of the materiality levels in Section 19815 since the word “any” is surplusage in this instance because, as stated above, the materiality levels specified in Section 19815 apply to audits of charter schools. Similarly, EAAP rejects the suggestion to insert “a material level of” because the materiality guidance stated in Section 19815 already applies.

Comment: Mr. Borden (page 3, first heading): “The proposed regulations would subject charter school audits to general audit requirements from which charter schools are statutorily exempt. This is inconsistent with current statute.” Mr. Borden further states, “Including the charter school audit requirements as Article 4 of the general ‘Audit Guide’ will imply certain general audit guide requirements to charter schools, from which charter schools are statutorily exempt. ... The charter school audit requirements should be removed from the general audit guide and published separately as a less burdensome approach to accomplishing the same objective.”

EAAP Response: Education Code Section 47634.2(d) expressly subjects charter schools to audits conducted pursuant to Section 41020 with regard to specified areas of charter school operations, notwithstanding any other provision of law. Section 47634.2(d) is the latest expression of legislative intent with regard to audits of charter schools, and it is limited to the specified matters. There is no conflict with the earlier statutes. (Code of Civil Procedure § 1859.)

With regard to the “general audit guide requirements” in the audit guide, Education Code Section 41020 provides, in pertinent parts, “(b)(4) An audit conducted pursuant to this section shall fully comply with the Government Auditing Standards issued by the Comptroller General of the United States. ... (d) All audit reports for each fiscal year shall be developed and reported using a format established by the Controller after consultation with the Superintendent of Public Instruction and the Director of Finance. ... (g)(1) The auditor's report shall include each of the following: (A) A statement that the audit was conducted pursuant to standards and procedures developed in accordance with Chapter 3 (commencing with Section 14500) of Part 9 of Division 1 of Title 1.” Section 14503(a) provides, “Financial and compliance audits shall be performed in accordance with General Accounting Office standards for financial and compliance audits. The audit guide prepared by the Controller shall be used in the performance of these audits until an audit guide is adopted by the Education Audits Appeal Panel pursuant to Section 14502.1. When an audit guide is adopted by that panel, the adopted audit guide shall be used in the performance of these audits....” Government Auditing Standards issued by the Comptroller General of the United States and the General Accounting Office standards referenced in the quoted statutes are found in the “Yellow Book.” (See Section 19814(a).)

Comment: All of the commenters objected to application of the audit procedures prescribed in Section 19851 to Average Daily Attendance reported by charter schools as generated through nonclassroom-based instruction, saying that not all nonclassroom-based instruction is subject to independent study requirements; that nonclassroom-based instruction and independent study are not interchangeable terms; that “The terms classroom-based and nonclassroom-based are intended in code to classify charter schools for the purpose of

apportionment,” while “The term ‘independent study’ describes a particular model of learning” (Rice, page 1, last paragraph, and page 2, first full paragraph); that “The proposed regulations confuse and conflate nonclassroom-based instruction and independent study, impermissibly expanding the agency’s regulatory authority” (Borden, page 2, first heading), and that the regulations should “allow for the broad range of statutorily allowed charter school practice” (Borden, page 4, third paragraph); that “I strongly oppose the proposed regulations...that categorizes [*sic*] all non-classroom based programs as independent study programs” (Lennon, second paragraph); that “Non-classroom based high schools are not necessarily independent-study programs” (Breedlove, page 2, second paragraph); and that independent study is just one form of nonclassroom-based instruction, as well as that “The law defines ‘nonclassroom-based instruction’ specifically as relates to the requirement to submit funding determinations to the State Board of Education pursuant to Education Code § 47634.2, as instruction that ‘*includes*, but is not limited to independent study, home study, work study, and distance and computer-based education.’ (Education Code § 47612.5(d)(1).)” (Emphasis in original; Minney, page 4, last paragraph).

EAAP Response: Audit regulations do not create program rules; they provide direction to accountants in the auditing of compliance with statutory or regulatory requirements. Education Code Section 47612.5(d)(1) authorizes the State Board of Education (SBE) to adopt regulations “that define and establish general rules governing nonclassroom-based instruction that apply to all charter schools....” Title 5 Section 11963.1, operative October 28, 2003, provides, “This article does not change the requirement that nonclassroom-based instruction in charter schools comply with the provisions of Article 5.5 (commencing with Section 51745) of Chapter 5 of Part 28 of the Education Code.” In its Initial Statement of Reasons, SBE said, regarding Section 11963.1, “This section clarifies that the introduction (in statute) of a new name for instruction that is carried on outside of the classroom setting (i.e., nonclassroom-based instruction) does not change the fact that all such nonclassroom-based instruction is subject to the requirements of Article 5.5 (commencing with Section 51745) of Chapter 4 of Part 28 of the Education Code (i.e., the laws governing independent study). This is consistent with the provisions of Education Code Section 51747.3 which (notwithstanding any other provision of law) state, in effect, that independent study requirements pertain no matter how independent study is characterized.” Therefore, SBE’s Title 5 regulation makes clear that nonclassroom-based instruction and independent study are synonymous.

The authorizing statute for independent study provides that “Educational opportunities offered through independent study may include, but shall not be limited to, the following: (1) Special assignments extending the content of regular courses of instruction. (2) Individualized study in a particular area of interest or in a subject not currently available in the regular school curriculum. (3) Individualized alternative education designed to teach the knowledge and skills of the core curriculum. Independent study shall not be provided as an alternative curriculum. (4) Continuing and special study during travel. (5) Volunteer community service activities that support and strengthen pupil achievement.” (Educ. Code § 51745(a).) Home study, work study, and distance and computer-based education are not different from independent study but describe settings in which students may study, independent of the classroom.

The independent study statutes prescribe several conditions that must be met for a school district, county office of education, or charter school to be eligible to receive apportionments for independent study by pupils, or that limit the amount of apportionment that can be claimed.⁵ None of these conditions prescribes “models of learning”; all address accountability or provide for notice to pupils, and their parents, of their rights while engaged in independent study and to continue in or return to classroom instruction.

Comment: Mr. Rice (page 2, second full paragraph): “Additionally, Section 19851(d)(3) requires an audit of daily attendance for independent study pupils. There is no statutory authority for this requirement. Further, the imposition of this additional requirement as a condition of apportionment for charter school independent study creates a requirement on charters that is not applied to non charter independent study audits.” Same comment made by Mr. Patterson (page 2, paragraph numbered 5), Mr. Miller (page 2, first paragraph), and Mr. Minney (page 5, first full paragraph).

EAAP Response: The authority for the requirement to audit charter school daily attendance accounting is found in Title 5 Section 11960. Section 11960 defines “attendance,” for the purpose of calculating Average Daily Attendance of charter schools, as occurring when “charter school pupils [are] engaged in educational activities required of them by their charter schools on days when school is actually taught in their charter schools” – with the proviso that “no charter school pupil may generate more than one day of attendance in a calendar day.” To those provisions, Education Code Section 51747.5(b) adds the requirement that claimable apportionment credit for work done by a student on each day of independent study attendance is limited to its time value, judged as required, of at least one day.

Comment: Mr. Borden (page 3, last heading, and page 4, first paragraph): “The proposed regulations would impair the scope of charter schools [*sic*] statutorily granted rights and are not consistent with the laws governing charter schools.” Mr. Borden more specifically objects that “Section 19851 assumes” that charter schools with multiple sites track attendance by site, that charter schools track attendance by month, and track attendance and maintain records by individual teachers.

⁵ The conditions include teacher:pupil ratios (§ 51745.6); adoption of certain written policies including the requirement of a written agreement with each student that includes certain prescribed elements (§ 51747); restrictions on apportionments related to the provision of funds or things of value to pupils engaged in independent study or their parents, and restrictions related to residency (§ 51747.3); the requirement that each pupil’s independent study be coordinated, evaluated, and generally supervised by a certificated employee of the district, county office, or charter school (as opposed to being under immediate supervision and control in a regular classroom [§ 46300(a)]) (§ 51747.5(a)); the requirement that the time value of pupil work be personally judged in each instance by a certificated teacher (§ 51747.5(b)); and that the pupil be identified in the written records of the district, county office, or charter school by grade level, program placement, and school (§ 51748). Regulations adopted by the Superintendent of Public Instruction pursuant to Education Code Section 51749.3, and by the State Board of Education pursuant to Education Code Section 47612.5(b), implement and clarify these requirements. (Title 5, § 11700 and following.)

EAAP Response: This comment is directed to subdivisions (c)(1) through (4) of proposed regulation Section 19851. Average Daily Attendance reporting periods are defined in Education Code Section 41601⁶ in full school months, which are defined for attendance-accounting purposes by Section 37201.⁷ Local education agencies commonly maintain their attendance accounts in school months. An auditor may exercise professional judgment in adapting the audit procedures to variant circumstances. (See Section 19816, Educ. Code § 47612.5(a)(2).)

Comment: Mr. Borden (page 4, second paragraph): “The regulations assume that a charter school is required to continuously monitor the residency of students throughout their enrollment in the school and (2) to maintain records of this. There is no requirement in statute that charter schools maintain written or other records of having verified residency at any particular time.”

EAAP Response: This comment is directed to subdivisions (d)(1) and (2) of proposed regulation Section 19851. Subdivision (b) of Education Code Section 51747.3 provides that, notwithstanding Education Code Section 47605(d)(1) or any other provision of law, independent study Average Daily Attendance shall be claimed by “charter schools only for pupils who are residents of the county in which the apportionment claim is reported, or who are residents of a county immediately adjacent to the county in which the apportionment claim is reported.” All schools necessarily maintain records of pupils’ addresses for various purposes. The audit regulation does not address that necessity; it merely directs the auditor to verify that the pupil addresses reviewed are within the geographical area specified by subdivision (b) of Education Code Section 51747.3.

Comment: Mr. Miller (page 2, first heading): “Additional Clarity on Charter Criteria for Auditors ¶ ...While the language is technically accurate, we believe that further clarifying the law on these points will avoid confusion and erroneous findings as they are applied.” Mr. Miller then identified the reference on page 12, line 24, to “intermittent (‘short-term’) independent study,” and suggested clarification that the five-day minimum applicable to school districts does not apply to charter schools; and the statement on page 14, lines 17 and 18, that must be contained in independent study agreements, and suggested a note that charter schools

⁶ Education Code Section 41601. “For the purposes of this chapter, the governing board of each school district shall report to the Superintendent of Public Instruction during each fiscal year the average daily attendance of the district for all full school months during (1) the period between July 1 and December 31, inclusive, to be known as the ‘first period’ report for the first principal apportionment, and (2) the period between July 1 and April 15, inclusive, to be known as the ‘second period’ report for the second principal apportionment.”

⁷ Education Code Section 37201. “(a) A school month is 20 days or four weeks of five days each, including legal holidays but excluding weekend makeup classes. For the purposes of counting attendance only in providing for a school calendar the winter vacation period, or any portion thereof, may be excluded by the school district in the definition of a school month.

(b) The provisions of subdivision (a) of this section are limited to defining a school month for attendance-counting purposes only.”

are not required to offer “an alternative program.” Mr. Patterson (page 2, paragraphs numbered “6” and “7”) made the same comments.

EAAP Response: These comments are directed to subdivisions (d) and (d)(7)(H) of proposed Section 19851. Audit regulations direct accountants in steps to audit the implementation of statutory or regulatory requirements applicable to programs in the audit guide. The five-day minimum term of an independent study agreement, a requirement in Education Code Section 46300(e)(1) that applies to school districts but does not apply to charter schools, is included in Section 19819(c)(6) and is not a prescribed procedure in proposed Section 19851.

As Mr. Miller acknowledged in his comment, the statement in proposed Section 19851(d)(7)(H) (based on Education Code Section 51747(c)(7)) must be included in every independent study agreement. EAAP rejects the suggestion to include a note that charter schools are not required to offer “an alternative program.” Despite common parlance, classroom attendance is not an alternative to independent study, but is the statutory duty of every Californian aged 6 through 18, while independent study is an optional alternative to classroom attendance that may be freely chosen by a pupil if his or her school offers the option and it is an appropriate placement for the pupil. (Educ. Code §§ 48200, 51745, 51747(b), Title 5 § 11700(d).) Charter schools, in which no pupil may be required to enroll (Education Code § 47605(f)), are by definition an alternative to attendance in a non-charter public school classroom. Charter schools may choose to offer only nonclassroom-based instruction. In that case, a pupil who wants to return to the classroom will have to leave the charter school and go to a classroom offered by his or her local school district or another charter school. (See Title 5 Section 11700.1(b)). This operational difference does not affect the written notice requirement. Therefore, the requested note is superfluous.

§ 19854. Annual Instructional Minutes – Classroom Based.

Comment: Mr. Borden (page 4, last heading): “The proposed regulations impose a vague, unclear directive to charter school auditors, creating the risk of arbitrary and capricious results. ¶ Section 19854 contains a vaguely-worded section stating that the auditor should engage in various ill-defined investigations regarding the enrollment in courses offered, courses offered during lunch time, etc., to somehow review whether the instructional offerings were appropriate. These provisions are not supported in statute, do not provide helpful guidance to charter schools or auditors, and encourage the auditor to engage in speculation. ... Section 19854 should be deleted as beyond EAAP’s statutory authority and because it fails to meet the APA’s standard for rulemaking clarity.”

EAAP Response: Subdivision (c) of proposed Section 19854 contains language that is nearly identical to that in subdivision (a)(3) of Section 19824, which has already been determined to have met the APA clarity standard. Section 19824(a)(3) directs auditors to review documentation of class offerings to ensure that school districts acted effectively to comply with the requirement in law that they offer specified amounts of instructional time. Some guidance is provided to the auditor as to what may indicate a failure to effectively offer instructional time, and the auditor is expected to apply his or her professional judgment, as

stated in Section 19816 and Education Code Section 14503(a). There has been no indication that the regulation is not easily understood by auditors directly affected. Similarly, an accountant who is auditing a charter school must make judgments as to whether classes offered to meet the instructional minutes requirements are effective offerings or merely sham.

General comments not directed at a specific section of the proposed regulations:

Comment: Five of the seven commenters stated a concern about the general scope and authority for the audit regulations applicable to charter schools. Four of them referred to Mr. Minney's letter, of which they were co-signers. See particularly Mr. Minney's discussion of the charter school "mega waiver" in Education Code Section 47610 and the intent of SB 740, which included Section 47634.2(d), the basis for including these regulations in the audit guide required pursuant to Section 41020 (Minney letter, pages 2 through 4). See also Mr. Borden's general comments (Borden letter, pages 1 and 2).

EAAP Response: As stated in response to Mr. Minney's comments on the emergency regulations that became effective May 6, 2005, the charter school "mega-waiver" in Section 47610 does not limit the application of subdivision (d) of Section 47634.2 to charter schools. Section 47634.2(d) expressly subjects charter schools to audits conducted pursuant to Section 41020 with regard to specified areas of charter school operations, notwithstanding any other provision of law.

Mr. Minney contends that the legislature intended that the audit provision of Section 47634.2(d) apply only to funding determinations for nonclassroom-based charter schools. Mr. Minney concludes that the legislature made a mistake and now, more than three and one-half years after the enactment of SB 740, he requests that Section 47634.2(d) be read to refer to subdivisions "(d) and (e)" rather than the plainly stated "(c) and (d)" of Section 47612.5. Such a reading would be inconsistent with the statute as enacted.

Mr. Minney next contends that a requirement that subjects charter schools "to audits conducted pursuant to Section 41020" under the circumstances prescribed in Section 47634.2(d) would render meaningless the requirement of subdivision (b)(5)(I) of Section 47605 that each charter petition state the manner in which annual financial audits will be conducted and resolved. It is paradoxical to argue that subjecting charter schools "to audits conducted pursuant to Section 41020" with regard to subdivision (c) and (d) of Section 47612.5 and Section 47634.2 would conflict with the cited charter petition provision, but subjecting charter schools "to audits conducted pursuant to Section 41020" with regard to subdivision (d) and (e) of Section 47612.5 and Section 47634.2 would not. Moreover, the plain language of Section 47634.2(d) subjects charter schools "to audits conducted pursuant to Section 41020" under the limited circumstances prescribed in that subdivision: "with regard to subdivision (c) and (d) of Section 47612.5 and this section [§ 47634.2]." Section 47634.2(d) is the latest expression of legislative intent with regard to audits of charter schools, and it is limited to the specified matters. There is no conflict with the earlier statutes. (Code of Civil Procedure § 1859.)

In addition to comments regarding the "mega-waiver," Mr. Borden contends, on page 1 of his letter, that "The proposed regulations greatly exceed the agency's statutory rulemaking

authority and impair the scope of the laws governing charter schools.” Mr. Borden then objects to the authority citations for these regulations. See the response, at page 3 preceding, to Mr. Borden’s comments regarding general audit requirements.

Comment: Mr. Borden (pages 2 and 3): “The proposed regulations impose substantial state mandated costs on local education agencies. ¶The rulemaking package does not comply with the Administrative Procedures [*sic*] Act (‘APA’) requirement that an estimate of state mandated costs be provided. Government Code section 11346.5 requires the Notice of Proposed Rulemaking to include ‘the cost to any local agency or school district that is required to be reimbursed’ as a result of the regulations. The Department of Finance’s State Administrative Manual section 6601 requires the use of a Fiscal Impact Statement for the cost estimates. The proposed regulations will result in a substantial fiscal impact to charter schools, school districts and county offices of education, to conduct these audits each year. Charter schools are already required to conduct audits pursuant to Education Code section 47605(b)(5)(I).”

EAAP Response: The proposed regulations implement the statutory requirement of Education Code Section 47634.2(d) and do not impose costs beyond those resulting from the statutory requirements. The forms and statements regarding state-mandated costs were filed with the emergency regulations that were effective May 6, 2005, and contain text identical to that being considered in this rulemaking procedure; and those documents will be filed, as required, with the final certification of this rulemaking after the Panel adopts the final regulations. Section 47634.2(d) subjects charter schools “to audits conducted pursuant to Section 41020,” notwithstanding any other provision of law.

Comments unrelated to these proposed regulations:

After describing the programs offered by the East Bay Conservation Corps (charter school) and the John Muir Charter School, which appear to come under the provisions of Education Code Section 47612.1 and Title 5 Section 11960(c) and (d), relating to charter schools’ provision of instruction exclusively in partnership with specified entities, two commenters made statements that evidently are unrelated to any of the proposed audit guide regulations, except as previously responded to.