



OFFICE OF THE GOVERNOR

OCT 07 2023

To the Members of the California State Assembly:

I am returning Assembly Bill 1604 without my signature.

This bill would make changes to the Charter School Facility Grant program (CSFGP) administered by the California School Finance Authority (CSFA) with regard to required admissions preferences, requirements for related parties, declaring nonprofit status, and how charter school properties are sold and leased.

The California State Auditor's report from earlier this year showed that the CSFGP program was being administered in a manner consistent with the law. It also showed that charter schools that receive the CSFGP grant funds closed less often and were located in areas that needed additional classroom space. Unfortunately, provisions of this bill could have unintended consequences, including increasing facility costs or limiting financing options for charter schools. Furthermore, the potential benefits of the bill are limited and do not outweigh the potential risks to charter school facilities.

Finally, while the report did find areas for improved transparency, those areas can and should be addressed administratively by the CSFA through the regulatory process rather than by legislation.

For these reasons, I cannot sign this bill.

Sincerely,

Gavin Newsom

