

111TH CONGRESS
2^D SESSION

H. R. 6204

To require States receiving funds under the Elementary and Secondary Education Act of 1965 to establish policies with respect to the auditing of charter schools.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 23, 2010

Ms. CHU introduced the following bill; which was referred to the Committee on Education and Labor

A BILL

To require States receiving funds under the Elementary and Secondary Education Act of 1965 to establish policies with respect to the auditing of charter schools.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Charter School Good
5 Governance and Transparency Act”.

6 **SEC. 2. CHARTER SCHOOL AUDITS.**

7 Not later than 1 year after the date of the enactment
8 of this Act, each State educational agency receiving funds

1 under the Elementary and Secondary Education Act of
2 1965 (20 U.S.C. 6301 et seq.) shall—

3 (1) disseminate to each charter school in the
4 State receiving funds under such Act (20 U.S.C.
5 6301 et seq.) a list of licensed, independent auditors
6 that perform governmental audits;

7 (2) develop and implement a policy requiring
8 each such charter school to—

9 (A) maintain its financial records in ac-
10 cordance with generally accepted accounting
11 principles, and applicable State and Federal re-
12 quirements;

13 (B) be subject to an annual audit by a li-
14 censed, independent auditor the results of which
15 are public and filed with—

16 (i) the authorized public chartering
17 agency that authorized or approved the
18 school; and

19 (ii) the office within the State edu-
20 cational agency that oversees education fi-
21 nance; and

22 (C) adopt policies and implement practices
23 to—

24 (i) address all audit findings; and

1 (ii) report to the authorized public
2 chartering agency that authorized or ap-
3 proved the school the actions taken by the
4 school to address the audit findings;

5 (3) develop and implement a policy requiring
6 each authorized public chartering agency that au-
7 thorizes or approves schools described in paragraph
8 (1) to report to the State educational agency—

9 (A) instances of significant audit findings
10 for each such school; and

11 (B) the corresponding actions reported by
12 each such school to address such findings; and

13 (4) not later than 9 months after an audit is
14 completed pursuant to paragraph (2)(B), and annu-
15 ally thereafter, prepare and submit to the Secretary
16 of Education an overall summary analysis of the
17 audit results received under such paragraph.

18 **SEC. 3. DEFINITIONS.**

19 In this Act—

20 (1) the term “authorized public chartering
21 agency” has the meaning given the term in section
22 5210 of the Elementary and Secondary Education
23 Act of 1965 (20 U.S.C. 7721i);

24 (2) the term “charter school” has the meaning
25 given the term in section 5210 of the Elementary

1 and Secondary Education Act of 1965 (20 U.S.C.
2 7721i), except that meaning shall be applied by sub-
3 stituting “except as otherwise provided pursuant to
4 section 2, or other State or Federal law” for “unless
5 such requirements are specifically waived for the
6 purpose of this program”; and

7 (3) the term “State educational agency” has
8 the meaning given such term in section 9101 of the
9 Elementary and Secondary Education Act of 1965
10 (20 U.S.C. 7801).

○