By Senator Montford

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3-00660A-13 20131390___ A bill to be entitled

An act relating to charter schools; providing a short

title; providing legislative findings and intent; creating the Florida Innovation Zone Schools Act to allow school districts to designate certain schools to serve as incubators of innovation and transformation of public education; requiring such schools to personalize education for each student; exempting innovation zone schools from ch. 1000-1013, F.S., subject to certain exceptions; providing guiding principles by which the innovation zone schools should function; establishing elements of the program; providing that a participating school district has autonomy in certain areas; amending s. 196.1983, F.S.; granting school district programs the ad valorem tax exemption given to charter schools and creating certain restrictions on the exempt property; requiring a landlord to certify compliance by affidavit; restricting the use of capital outlay funds for property improvements if the property is exempt from

ad valorem taxes; amending s. 1002.31, F.S.; providing

a calculation for compliance with class size maximums

school; amending s. 1002.33, F.S.; conforming a cross-

reference; modifying requirements for charter school

applications; creating new reporting requirements for

charter schools regarding governance, fees, and

students; providing a funding requirement for a

student who transfers between a charter school and

for a public school of choice or an innovation zone

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district school; authorizing a district school board to negotiate an appropriate usage fee based on market value for unused space; deleting a prohibition on rental or leasing fees on existing public schools that convert to charter schools; prohibiting a charter school from selling or renting out property from a school district without written permission of the school district; providing that certain recommendations from the department are not binding on a school district; restricting use of capital outlay funds; deleting restrictions on withheld administrative fees; amending s. 1002.345, F.S.; restricting charter schools or technical career centers having financial problems from certain activities and requiring disclosure of such financial problems on subsequent applications; creating s. 1003.622, F.S.; providing legislative intent; recognizing academically high-performing school choice districts and granting them flexibility; qualifying an academically high-performing school choice district; exempting such districts from ch. 1000-1013, F.S., subject to certain exceptions; exempting such districts from certain ad valorem taxes and other requirements; requiring an academically highperforming school choice district to submit an annual report to the State Board of Education and the Legislature; specifying requirements for such report; amending 1010.305, F.S.; extending student enrollment auditing procedures to charter schools; providing that

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a school district or charter school may request an expedited review by the Auditor General; providing an effective date.

Be It Enacted by the Legislature of the State of Florida:

Section 1. Florida Innovation Zone Schools.-

(2) LEGISLATIVE FINDINGS AND INTENT.—The Legislature finds

that the 19th and 20th century models of education do not meet the needs of the 21st century world as current public school years are based on an agrarian calendar and most public school classrooms are based on an antiquated classroom model. The Legislature further finds that credit-based instruction and one comprehensive standardized assessment do not accurately measure student learning or prepare students for adulthood. The Legislature finds that Florida is already a leader in education accountability and innovation and that this state should take

such innovation to another level by replacing an outdated,

homogenized model with a vibrant, rigorous model that allows

old status quo. The Legislature intends to establish schools

that serve as incubators of innovation and transform public

students to thrive and be prepared to meet the economic and
political challenges of the 21st century. The public schools in
this state should be the education incubators that disrupt the

education.
(3) FLORIDA INNOVATION ZONE SCHOOLS ACT.—The Florida
Innovation Zone Schools Act is created to allow participating

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schools to serve as incubators of innovation and transform public education. An innovation zone school, which is designated as such by the school district to which it belongs, may be funded on incentive grants or through public or private partnerships. Participating schools are exempt from chapters 1000-1013, Florida Statutes, except those laws specifically pertaining to health, safety, antidiscrimination, or public records and meetings. Such schools are also specifically exempt from class size requirements. Teachers shall continue to be evaluated based on performance but innovation zone schools may use different methods to make such evaluation.

- (4) GUIDING PRINCIPLES.—An innovation zone school shall be guided by the following principles:
- (a) Globally competitive standards.—Student learning outcomes are aligned with the common core standards.
- (b) Competency-based learning and assessment.—Students advance by demonstrating skills, abilities, and knowledge on how to be successful, rather than the traditional way of receiving credit based on seat time in a classroom.
- (c) Personalized learning plans.—Teachers, advisors, students, and parents manage a personalized learning plan that accounts for each student's preferred pace and learning style.
- (d) Multiple modes of learning.—Each student learns in the way he or she learns best, be it independently, one-on-one with a coach, collaboratively in small groups, online, through internships or early college courses, or in other real-world contexts.
- (e) New staff and student roles.—School staff shall take on new roles as learning coaches, advisors, and content and

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assessment experts. Students are empowered to plan and manage
their own studies in a variety of ways. The program must be
tailored to the students at the school to personalize education
for each student.

- (5) PROGRAM ELEMENTS.—An innovation zone school shall:
- (a) Upon designation by the school district, plan during the first year, begin at least partial implementation during the second year, and fully implement the program by the third year.
- (b) Integrate technology into instruction, assessment, and professional development. The school shall also restructure the school day or school year in a way that allows it to best accomplish its goals.
- (c) Monitor performance progress based on skills that help students succeed in college and careers, including problem solving, research, interpretation, and communication. The program must use competency-based grading and look into ways to allow students to advance based on their understanding of the content, not on time spent, and to measure success accordingly. The learning environment must allow for innovation and the resources must enable personalization and increase student achievement and college and career readiness.
- (6) POWERS OF SCHOOL DISTRICTS.—A participating school district has autonomy in the budget, staffing, governance, curriculum, assessment, and school calendar.

Section 2. Section 196.1983, Florida Statutes, is amended to read:

196.1983 Charter school <u>and school district program</u> exemption from ad valorem taxes.—Any facility, or portion thereof, used to house a <u>school district program or</u> charter

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school whose charter has been approved by the sponsor and the governing board pursuant to s. 1002.33(7) is shall be exempt from ad valorem taxes. For leasehold properties, the landlord must certify by affidavit to the district or charter school sponsor that the lease payments shall be reduced to the extent of the exemption received, that the lease payments before reduction do not exceed fair market value, and that the transaction does not involve related parties as described in s. 1002.33(7)(a)18. The owner of the property shall disclose to a charter school the full amount of the benefit derived from the exemption and the method for ensuring that the district or charter school receives such benefit. The charter school shall receive the full benefit derived from the exemption through either an annual or monthly credit to the district or charter school's lease payments. For property exempt from ad valorem taxes pursuant to this section, district or public education capital outlay funds may be used for property improvements only if:

- (1) The transaction does not, directly or indirectly, involve relatives; and
- (2) The lease or contract makes adequate provision for crediting or reimbursing such funding when the property is no longer used for exempt purposes.
- Section 3. Subsections (9) and (10) are added to section 1002.31, Florida Statutes, to read:
 - 1002.31 Public school parental choice.-
- (9) For a school or program that is a public school of choice under this section, the calculation for compliance with maximum class size pursuant to s. 1003.03 is the average number

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of students at the school level.

(10) For a school or program that is an innovation zone school under the Florida Innovation Zone Schools Act, the calculation for compliance with maximum class size pursuant to s. 1003.03 is the average number of students at the school level.

Section 4. Subsection (1), paragraph (a) of subsection (6), paragraphs (c), (e), and (g) of subsection (18), subsection (19), and paragraph (a) of subsection (20) of section 1002.33, Florida Statutes, are amended, paragraph (g) is added to subsection (17), present paragraphs (c) and (d) of subsection (7) are redesignated as paragraphs (d) and (e), respectively, and a new paragraph (c) is added to subsection (7) of that section, to read:

1002.33 Charter schools.-

(1) AUTHORIZATION.—Charter schools shall be part of the state's program of public education. All charter schools in Florida are public schools. A charter school may be formed by creating a new school or converting an existing public school to charter status. A charter school may operate a virtual charter school pursuant to s. 1002.45(1)(d) to provide full-time online instruction to eligible students, pursuant to s. 1002.455, in kindergarten through grade 12. A charter school must amend its charter or submit a new application pursuant to subsection (6) to become a virtual charter school. A virtual charter school is subject to the requirements of this section; however, a virtual charter school is exempt from subsections (18) and (19), subparagraphs (20)(a)1. and 2. (20)(a)2., 4., 5., and 7., paragraph (20)(c), and s. 1003.03. A public school may not use

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the term charter in its name unless it has been approved under this section.

- (6) APPLICATION PROCESS AND REVIEW.—Charter school applications are subject to the following requirements:
- (a) A person or entity wishing to open a charter school shall prepare and submit an application on a model application form prepared by the department of Education which:
- 1. Demonstrates how the school will use the guiding principles and meet the statutorily defined purpose of a charter school.
- 2. Provides a detailed curriculum plan that illustrates how students will be provided services to attain the Sunshine State Standards.
- 3. Contains goals and objectives for improving student learning and measuring that improvement. These goals and objectives must indicate how much academic improvement students are expected to show each year, how success will be evaluated, and the specific results to be attained through instruction.
- 4. Describes the reading curriculum and differentiated strategies that will be used for students reading at grade level or higher and a separate curriculum and strategies for students who are reading below grade level. A sponsor shall deny a charter if the school does not propose a reading curriculum that is consistent with effective teaching strategies that are grounded in scientifically based reading research.
- 5. Contains an annual financial plan for each year requested by the charter for operation of the school for up to 5 years. This plan must contain anticipated fund balances based on revenue projections, a spending plan based on projected revenues

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and expenses, and a description of controls that will safeguard finances and projected enrollment trends.

- 6. Documents that the applicant has participated in the training required in subparagraph (f)2. A sponsor may require an applicant to provide additional information as an addendum to the charter school application described in this paragraph.
- 7. For the establishment of a virtual charter school, documents that the applicant has contracted with a provider of virtual instruction services pursuant to s. 1002.45(1)(d).
- 8. Demonstrates that the charter school governing board is independent of any management company and that termination of any management company contract rests with the governing board.
- (7) CHARTER.—The major issues involving the operation of a charter school shall be considered in advance and written into the charter. The charter shall be signed by the governing board of the charter school and the sponsor, following a public hearing to ensure community input.
 - (c) The charter school must:
- 1. Document, for the initial and any subsequent charter, that the governing board is independent of any management company and that termination of any management company contract rests with the governing board.
- 2. Document the administrative fee and any other fee provided to a management company for the operation, management, or any involvement with the charter school.
- 3. Document that any lease payment for real property, facilities, equipment, and employment is within the fair market value of the community in which the charter school is located.
 - 4. In order to provide funding and administrative

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transparency, report to the Department of Education and, through a central website, to parents, the following information:

- a. Any management fee and fee structure.
- b. Salaries or fees of management personnel, administrators, principals, teachers, and support staff.
 - c. Ratio of administrators to teachers.
- d. Number of free or reduced-priced lunch students,
 exceptional education students, and English for Speakers of
 Other Languages students as compared to other school districts.
- 5. Provide a report to the sponsor and the department describing the innovative programs and instructional strategies provided to students which differ from the programs and strategies provided in traditional public schools. The department shall identify the innovative programs and strategies and incorporate them into the analysis of charter school performance required under subsection (23).
- (17) FUNDING.—Students enrolled in a charter school, regardless of the sponsorship, shall be funded as if they are in a basic program or a special program, the same as students enrolled in other public schools in the school district. Funding for a charter lab school shall be as provided in s. 1002.32.
- (g) If a student transfers from a charter school to a district school or from a district school to a charter school after the first day of the school year, funding must be allocated proportionately according to the number of days that the student attends the charter school or traditional public school.
 - (18) FACILITIES.-
 - (c) Any facility, or portion thereof, used to house a

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school district program or charter school whose charter has been approved by the sponsor and the governing board, pursuant to subsection (7), <u>is shall be</u> exempt from ad valorem taxes pursuant to s. 196.1983. Library, community service, museum, performing arts, theatre, cinema, church, Florida College System institution, college, and university facilities may provide space to charter schools within their facilities under their preexisting zoning and land use designations.

(e) If a district school board facility or property is available because the district school board has deemed it as it is surplus, marked for disposal, or otherwise unused, and the facility is appropriate for student instruction, it may shall be made available provided for a charter school's use based on reasonable eligibility criteria for applicants and below-market lease or purchase terms that fairly reflect existing debt, and the availability of alternative facilities. The school district may negotiate an appropriate usage fee based on market value on the same basis as it is made available to other public schools in the district. A charter school receiving property from the school district may not sell or dispose of such property without written permission of the school district. Similarly, for an existing public school converting to charter status, no rental or leasing fee for the existing facility or for the property normally inventoried to the conversion school may be charged by the district school board to the parents and teachers organizing the charter school. The charter school shall agree to reasonable maintenance provisions in order to maintain the facility in a manner similar to district school board standards. A charter school receiving property from the school district may not

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relet, sublet, sell, or dispose of such property without written permission of the school district. The lease may provide for use of public education capital outlay maintenance funds or any other maintenance funds if such use is consistent with the district's 5-year work plan generated by the facility operated as a conversion school shall remain with the conversion school.

- (g) Each school district shall annually provide to the Department of Education as part of its 5-year work plan the number of existing vacant classrooms in each school that the district does not intend to use or does not project will be needed for educational purposes for the following school year. The department may recommend that a district make such space available to an appropriate charter school <u>pursuant to paragraph</u> (e). The recommendation is not binding on the district school board.
- (19) CAPITAL OUTLAY FUNDING.—Charter schools are eligible for capital outlay funds pursuant to s. 1013.62. Capital outlay funds authorized in ss. 1011.71(2) and 1013.62 which were have been shared with a charter school—in—the—workplace before prior to July 1, 2010, are deemed to have met the authorized expenditure requirements for such funds. Charter schools may spend capital outlay funds only on assets that can be returned to the school district.
 - (20) SERVICES.-
- (a) 1. A sponsor shall provide certain administrative and educational services to charter schools. These services shall include contract management services; full-time equivalent and data reporting services; exceptional student education administration services; services related to eligibility and

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reporting duties required to ensure that school lunch services under the federal lunch program, consistent with the needs of the charter school, are provided by the school district at the request of the charter school, that any funds due to the charter school under the federal lunch program be paid to the charter school as soon as the charter school begins serving food under the federal lunch program, and that the charter school is paid at the same time and in the same manner under the federal lunch program as other public schools serviced by the sponsor or the school district; test administration services, including payment of the costs of state-required or district-required student assessments; processing of teacher certificate data services; and information services, including equal access to student information systems that are used by public schools in the district in which the charter school is located. Student performance data for each student in a charter school, including, but not limited to, FCAT scores, standardized test scores, previous public school student report cards, and student performance measures, shall be provided by the sponsor to a charter school in the same manner provided to other public schools in the district.

1.2. A total administrative fee for the provision of such services shall be calculated based <u>on upon</u> up to 5 percent of the available funds defined in paragraph (17)(b) for all students; however, <u>if except that when</u> 75 percent or more of the students enrolled in the charter school are exceptional students as defined in s. 1003.01(3), the 5 percent of those available funds shall be calculated based on unweighted full-time equivalent students. However, a sponsor may only withhold up to

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withhold a 2-percent administrative fee for enrollments up to and including 500 students per system.

- 2.7. Sponsors <u>may</u> shall not charge charter schools any additional fees or surcharges for administrative and educational services in addition to the maximum 5-percent administrative fee withheld pursuant to this paragraph.
- 3.8. The sponsor of a virtual charter school may withhold a fee of up to 5 percent. The funds <u>must shall</u> be used to cover the cost of services provided under <u>this paragraph</u> subparagraph 1. and for the school district's local instructional improvement system pursuant to s. 1006.281 or other technological tools that are required to access electronic and digital instructional materials.

Section 5. Subsection (7) is added to section 1002.345, Florida Statutes, to read:

- 1002.345 Determination of deteriorating financial conditions and financial emergencies for charter schools and charter technical career centers.—This section applies to charter schools operating pursuant to s. 1002.33 and to charter technical career centers operating pursuant to s. 1002.34.
- charter technical career center exhibits a deteriorating financial condition or is subject to a financial recovery plan or corrective action plan, the governing board of the charter school or charter technical career center, or any related entity, is not eligible to apply for additional charter schools or charter technical centers under s. 1002.33, s. 1002.331, or s. 1002.45 until the financial condition or financial recovery plan has been satisfactorily resolved. The existence and

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resolution of financial emergencies or poor financial conditions
as provided in this chapter shall be disclosed in subsequent
applications by the applicant under s. 1002.33(6) and be
considered in determining whether the financial management
practices materially comply with that section.

Section 6. Section 1003.622, Florida Statutes, is created to read:

districts.—It is the intent of the Legislature to recognize and reward school districts that demonstrate the ability to provide its residents with a broad range of choice programs. The purpose of this section is to provide high-performing school choice districts with flexibility in meeting the specific requirements of law and rules of the State Board of Education.

- (1) ACADEMICALLY HIGH-PERFORMING SCHOOL CHOICE DISTRICT.
- (a) A school district is an academically high-performing school choice district if it:
- 1. Earns a grade of "A" or "B" as provided in s. 1008.34
 for 2 consecutive years;
- 2. Has at least 20 percent of its total enrollment in public choice programs or at least 5 percent of its total enrollment in charter schools;
- 3. Has no material weaknesses or instances of material noncompliance noted in the annual financial audit conducted pursuant to s. 218.39; and
- 4. Operates as a school choice district that focuses on teaching and learning infused with up-to-date technology that prepares students for work or postsecondary education.
 - (b) A school district that satisfies the eligibility

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465 criteria in this subsection shall be designated by the State 466 Board of Education as an academically high-performing school 467 choice district. The academically high-performing school choice 468 district retains its status as a high-performing school choice 469 district for 5 years and may renew the designation if the 470 district meets the requirements in this section. A school 471 district that fails to meet the requirements in this section 472 must provide written notification to the State Board of 473 Education that the district is no longer eligible for 474 designation as an academically high-performing school choice 475 district.

- (c) A district designated as an academically highperforming school choice district is exempt, during the time the
 district continues to meet all eligibility criteria, from
 chapters 1000-1013 pertaining to school districts and rules of
 the State Board of Education which implement these exempt
 provisions. However, an academically high-performing school
 choice district must comply with:
 - 1. Laws pertaining to the following:
 - a. Student health, safety, and welfare.
 - b. Services for students who have disabilities.
 - $\underline{\text{c.}}$ Student assessment programs and school grading systems.
- d. Civil rights, including s. 1000.05, relating to discrimination.
- 2. Laws governing the election and compensation of district school board members and election or appointment and compensation of district school superintendents.
- 3. Section 1003.03, relating to the maximum class size, except that the calculation for compliance pursuant to s.

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494 1003.03 is the average at the school level.

- 4. Sections 1012.22(1)(c) and 1012.27(2), relating to public school personnel compensation and salary schedules; s. 1012.34, relating to personnel evaluation procedures and criteria; and ss. 1012.33 and 1012.335, relating to contracts with instructional personnel, staff, supervisors, and school administrators.
- 5. Section 286.011, relating to public meetings and records, public inspection, and criminal and civil penalties.
 - 6. Chapter 119, relating to public records.
- (d) Each academically high-performing school choice district shall be included in the definition of eligible entities to apply for and operate a charter school or virtual school and shall be exempt from ad valorem taxes when leasing facilities and from the State Requirements for Educational Facilities.
- (2) GOVERNING BOARD.—The governing board of an academically high-performing school choice district is the duly elected district school board. The district school board shall supervise the academically high-performing school choice district.
- (3) REPORTS.—The academically high-performing school choice district shall submit to the State Board of Education and the Legislature an annual report by December 1 of each year which delineates the performance of the school district in regards to the academic performance of students. The annual report shall be submitted in a format prescribed by the Department of Education and must include, but need not be limited to, the following:
 - (a) Evidence of compliance with subsection (1).
 - (b) Efforts to close the achievement gap.

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(c) Longitudinal performance of students, by grade level and subgroup, in mathematics, reading, writing, science, and any other subject that is included as a part of the statewide assessment program in s. 1008.22.

- (d) Longitudinal performance regarding students who take an Advanced Placement Examination organized by demographic group, specifically by age, gender, and race, and by participation in the National School Lunch Program.
- (e) Number and percentage of students who take an Advanced Placement Examination.

Section 7. Section 1010.305, Florida Statutes, is amended to read:

1010.305 Audit of student enrollment.

- (1) The Auditor General shall periodically examine the records of school districts, charter schools, and other agencies as appropriate, to determine compliance with law and State Board of Education rules relating to the classification, assignment, and verification of full-time equivalent student enrollment and student transportation reported under the Florida Education Finance Program. A school district or charter school may request expedited review by the Auditor General.
- (2) If it is determined that the approved criteria and procedures for the placement of students and the conduct of programs have not been followed by the district or by a district-sponsored charter school, appropriate adjustments in the full-time equivalent student count for that district or charter school must be made, and any excess funds must be deducted from subsequent allocations of state funds to that district or charter school. As provided for by rule, if errors

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20131390 3-00660A-13 in a specific program of a district or charter school recur in consecutive years due to lack of corrective action by the 553 district or charter school, adjustments may be made based upon statistical estimates of error projected to the overall district 555 or charter school program.

Section 8. This act shall take effect July 1, 2013.