By the Committee on Education

304-1725A-00

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A bill to be entitled An act relating to charter schools; amending s. 228.056, F.S.; revising terminology; clarifying time periods; revising criteria for renewal of a charter; requiring compliance with certain statutes; providing for exemption from ad valorem taxation; amending s. 228.0561, F.S.; changing the formula for charter school facilities funding; revising requirements for reversions of property to a school board; authorizing pilot program grants for the construction of charter school facilities; establishing criteria; amending s. 196.29, F.S.; granting charter schools an exemption from ad valorem taxes; amending s. 236.0817, F.S.; providing for a developmental research school that is issued a charter to be eligible for categorical funding; amending s. 228.053, F.S.; exempting a chartered developmental research school from the requirement that it be of closest geographic proximity to the college of education to which it is affiliated; providing for funding developmental research schools that are issued a charter; revising requirements for determining full-time-equivalent membership; providing for capital outlay funding for a chartered developmental research school; amending s. 228.505, F.S.; providing for governance of certain charter technical career centers; providing an effective date.

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

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Section 1. Section 228.056, Florida Statutes, is amended to read:

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228.056 Charter schools.--

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(1) AUTHORIZATION.--The creation of charter schools is hereby authorized. Charter schools shall be part of the state's program of public education. All charter schools in Florida are fully recognized as public schools. A charter school may be formed by creating a new school or converting an

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existing public school to charter status.

(2) PURPOSE.--The purpose of charter schools shall be

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to:

(a) Improve student learning.

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(b) Increase learning opportunities for all students, with special emphasis on expanded learning experiences for students who are identified as academically low achieving.

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(c) Encourage the use of different and innovative learning methods. $\ensuremath{\text{}}$

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(d) Increase choice of learning opportunities for students.

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(e) Establish a new form of accountability for schools.

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(f) Require the measurement of learning outcomes and create innovative measurement tools.

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(g) Make the school the unit for improvement.

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(h) Create new professional opportunities for teachers, including the opportunity to own the learning program at the school site.

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30 (3) <u>APPLICATION</u> <u>PROPOSAL</u>.--<u>An application</u> <u>A proposal</u>
31 for a new charter school may be made by an individual,

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teachers, parents, a group of individuals, a municipality, or a legal entity organized under the laws of this state. The district school board or the principal, teachers, parents, and/or the school advisory council at an existing public school, including a public school-within-a-school that is designated as a school by the district school board, shall submit any application proposal for converting the school to a charter school. An application submitted proposing to convert an existing public school to a charter school shall demonstrate the support of at least 50 percent of the teachers employed at the school and 50 percent of the parents voting whose children are enrolled at the school, provided that a majority of the parents eligible to vote participate in the ballot process, according to procedures established by rules of the state board. A private school, parochial school, or home education program shall not be eligible for charter school status.

- (4) SPONSOR. -- A district school board may sponsor a charter school in the county over which the board has jurisdiction.
- (a) A district school board shall receive and review all applications for a charter school. A district school board shall receive charter school applications through at least November 15 of each calendar year for charter schools to be opened at the beginning of the school district's next school year. A district school board may receive applications later than this date if it chooses. In order to facilitate an accurate budget projection process, a district school board shall be held harmless for FTE students which are not included in the FTE projection due to approval of charter school 31 applications after the FTE projection deadline. A district

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30 31 school board must by a majority vote approve or deny an application no later than 60 days after the application is received. If a school board fails to approve or deny the charter application within 60 days, the application is deemed approved. If an application is denied, the district school board must, within 10 calendar days, articulate in writing the specific reasons based upon good cause supporting its denial of the charter application. Upon approval of a charter application, the initial startup must be consistent with the beginning of the public school calendar for the district in which the charter is granted unless the district school board allows a waiver of this provision for good cause.

(b) An applicant may appeal any denial of that person's application to the State Board of Education no later than 30 days after the district school board's decision and shall notify the district school board of its appeal. Any response of the school board shall be submitted to the state board within 30 days after notification of the appeal. The state board must by majority vote accept or reject the decision of the district school board no later than 60 days after an appeal is filed in accordance with state board rule. The state board may reject an appeal submission for failure to comply with procedural rules governing the appeals process. The rejection shall describe the submission errors. appellant may have up to 15 days from notice of rejection to resubmit an appeal that meets requirements of rule. An application for appeal submitted subsequent to such rejection shall be considered timely if the original appeal was filed within 30 days after the school board denial. The state board shall remand the application to the district school board with its written recommendation that the district board approve or

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deny the application consistent with the state board's decision. The decision of the State Board of Education is not subject to the provisions of the Administrative Procedure Act, chapter 120.

- (c) The district school board must act upon the recommendation of the State Board of Education within 30 days after it is received. The district board may fail to act in accordance with the recommendation of the state board only for good cause. Good cause for failing to act in accordance with the state board's recommendation arises only if the district school board determines by competent substantial evidence that approving the state board's recommendation would be contrary to law or contrary to the best interests of the pupils or the community. The district school board must articulate in written findings the specific reasons based upon good cause supporting its failure to act in accordance with the state board's recommendation. The district board's action on the state board's recommendation is a final action subject to judicial review.
- (d) The Department of Education may provide technical assistance to an applicant upon written request.
- (e) Paragraph (a) notwithstanding, a state university may grant a charter to a developmental research school created under s. 228.053. In considering such charter, the state university must consult with the district school board of the county in which the developmental research school is located. The decision of a state university may be appealed pursuant to the procedure established in this subsection.
- (f) The terms and conditions for the operation of a charter school shall be set forth by the sponsor and the 31 applicant in a written contractual agreement called a charter.

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The sponsor shall not impose unreasonable rules or regulations 2 that violate the intent of giving charter schools greater 3 flexibility to meet educational goals. The applicant and sponsor shall have 6 months in which to mutually agree to the 4 5 provisions of the charter contract. The Department of 6 Education shall provide mediation services for any dispute 7 regarding this section subsequent to the approval of a charter 8 application, except disputes regarding charter school 9 application denials. If the Commissioner of Education 10 determines that the dispute cannot be settled through 11 mediation, the dispute may be appealed to an administrative law judge appointed by the Division of Administrative 12 13 The administrative law judge may rule on issues of equitable treatment of the charter school as a public school, 14 whether proposed provisions of the charter contract violate 15 the intended flexibility granted charter schools by statute, 16 17 or on any other matter regarding this section except a charter 18 school application denial. The costs of the administrative 19 hearing shall be paid by the party whom the administrative law 20 judge rules against.

- (g) The sponsor shall monitor and review the charter school in its progress towards the goals established in the charter.
- (h) The sponsor shall monitor the revenues and expenditures of the charter school.
- (5) NUMBER OF SCHOOLS.--The number of newly created charter schools or existing public schools which may convert to charter schools is limited to no more than 28 in each school district that has 100,000 or more students, no more than 20 in each school district that has 50,000 to 99,999

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students, and no more than 12 in each school district with fewer than 50,000 students.

- (6) ELIGIBLE STUDENTS.--
- (a) A charter school shall be open to any student covered in an interdistrict agreement or residing in the school district in which the charter school is located; however, in the case of a developmental research school created under s. 228.053 to which a charter has been issued under paragraph (4)(e), the charter school shall be open to any student eligible to attend the developmental research school as provided in s. 228.053 or residing in the school district in which the charter school is located. Any eligible student shall be allowed interdistrict transfer to attend a charter school when based on good cause. When a public school converts to charter status, enrollment preference shall be given to students who would have otherwise attended that public school. A charter school may give enrollment preference to a sibling of a student enrolled in the charter school or to the child of an employee of the charter school.
- (b) The charter school shall enroll an eligible student who submits a timely application, unless the number of applications exceeds the capacity of a program, class, grade level, or building. In such case, all applicants shall have an equal chance of being admitted through a random selection process.
- (c) A charter school may limit the enrollment process only to target the following student populations:
- 1. Students within specific age groups or grade levels.

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- CODING: Words stricken are deletions; words underlined are additions.

- Students considered at risk of dropping out of school or academic failure. Such students shall include exceptional education students.
- 3. Students enrolling in a charter school-in-the-workplace established pursuant to subsection (22).
- Students residing within a reasonable distance of 4. the charter school, as described in paragraph (13)(c). Such students shall be subject to a random lottery and to the racial/ethnic balance provisions described in subparagraph (9)(a)8. or any federal provisions which require a school to achieve a racial/ethnic balance reflective of the community it serves or within the racial/ethnic range of other public schools in the same school district.
- (d) A student may withdraw from a charter school at any time and enroll in another public school as determined by school board policy.
- (e) Students with handicapping conditions and students served in English for Speakers of Other Languages programs shall have an equal opportunity of being selected for enrollment in a charter school.
- (7) LEGAL ENTITY. -- A charter school shall organize as, or be operated by, a nonprofit organization. A charter school may be operated by a municipality or other public entity as provided for by law. As such, the charter school may be either a private or a public employer. As a public employer, a charter school may participate in the Florida Retirement System upon application and approval as a "covered group" under s. 121.021(34). If a charter school participates in the Florida Retirement System, the charter school employees shall 31 be compulsory members of the Florida Retirement System. As

either a private or a public employer, a charter school may contract for services with an individual or group of individuals who are organized as a partnership or a cooperative. Individuals or groups of individuals who contract their services to the charter school are not public employees.

- (8) REQUIREMENTS. --
- (a) A charter school shall be nonsectarian in its programs, admission policies, employment practices, and operations.
- (b) A charter school shall admit students as provided in subsection (6).
- (c) A charter school shall be accountable to its sponsor for performance as provided in subsection (9).
- (d) A charter school shall not charge tuition or fees, except those fees normally charged by other public schools; however, a developmental research school to which a charter has been issued pursuant to paragraph (4)(e), may charge a student activity and service fee as provided in s. 228.053(5).
- (e) A charter school shall meet all applicable state and local health, safety, and civil rights requirements.
- (f) A charter school shall not violate the antidiscrimination provisions of s. 228.2001.
- (g) A charter school shall be subject to an annual financial audit in a manner similar to that of a school district.
- (h) No organization shall hold more than 15 charters statewide.
- (9) CALCULATION OF TIME.--Unless provided otherwise, time periods referenced in this section shall be calculated by calendar days.

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- (10)(9) 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 body of the charter school and the sponsor, following a public hearing to ensure community input.
- (a) The charter shall address, and criteria for approval of the charter shall be based on:
- The school's mission, the students to be served, and the ages and grades to be included.
- The focus of the curriculum, the instructional methods to be used, and any distinctive instructional techniques to be employed.
- The current incoming baseline standard of student academic achievement, the outcomes to be achieved, and the method of measurement that will be used. This section shall include a detailed description for each of the following:
- How the baseline student academic achievement levels and prior rates of academic progress will be established;
- b. How these baseline rates will be compared to rates of academic progress achieved by these same students while attending the charter school; and
- To the extent possible, how these rates of progress will be evaluated and compared with rates of progress of other closely comparable student populations.
- The methods used to identify the educational strengths and needs of students and how well educational goals and performance standards are met by students attending the charter school. Students in charter schools shall, at a minimum, participate in the statewide assessment program.

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- 1 In secondary charter schools, a method for 2 determining that a student has satisfied the requirements for 3 graduation in s. 232.246.
 - 6. A method for resolving conflicts between the governing body of the charter school and the sponsor.
 - The admissions procedures and dismissal procedures, including the school's code of student conduct.
 - The ways by which the school will achieve a racial/ethnic balance reflective of the community it serves or within the racial/ethnic range of other public schools in the same school district.
 - The financial and administrative management of the school, including a reasonable demonstration of the professional experience or competence of those individuals or organizations applying to operate the charter school or those hired or retained to perform such professional services. Both public sector and private sector professional experience shall be equally valid in such a consideration.
 - The manner in which the school will be insured, including whether or not the school will be required to have liability insurance, and, if so, the terms and conditions thereof and the amounts of coverage.
- 11. The term of the charter which shall provide for cancellation of the charter if insufficient progress has been made in attaining the student achievement objectives of the charter and if it is not likely that such objectives can be achieved before expiration of the charter. The initial term of a charter shall be for 3, 4, or 5 years. In order to facilitate access to long-term financial resources for charter school construction, charter schools that are operated by a 31 | municipality or other public entity as provided by law are

eligible for up to a 15-year charter, subject to approval by the local school board. In addition, to facilitate access to long-term financial resources for charter school construction, charter schools that are operated by a private, not-for-profit, s. 501(c)(3) status corporation are eligible for up to a 10-year charter, subject to approval by the local school board. Such long-term charters remain subject to annual review and may be terminated during the term of the charter, but only for specific good cause according to the provisions set forth in subsection (10).

- 12. The facilities to be used and their location.
- 13. The qualifications to be required of the teachers.
- 14. The governance structure of the school, including the status of the charter school as a public or private employer as required in subsection (7).
- 15. A timetable for implementing the charter which addresses the implementation of each element thereof and the date by which the charter shall be awarded in order to meet this timetable.
- 16. In the case of an existing public school being converted to charter status, alternative arrangements for current students who choose not to attend the charter school and for current teachers who choose not to teach in the charter school after conversion in accordance with the existing collective bargaining agreement or school board policy in the absence of a collective bargaining agreement. However, alternative arrangements shall not be required for current teachers who choose not to teach in a developmental research school to which a charter has been issued pursuant to paragraph (4)(e), except as authorized by the employment

policies of the state university which grants the charter to the developmental research school.

- (b) A charter may be renewed every 5 school years, provided that a program review demonstrates that the criteria in paragraph (a) have been successfully accomplished. In order to facilitate long-term financing for charter school construction, charter schools operating a minimum of $\underline{2}$ 3 years and demonstrating exemplary academic programming and fiscal management are eligible for a 15-year charter renewal. Such long-term charter is subject to annual review and may be terminated during the term of the charter.
- (c) A charter may be modified during its initial term or any renewal term upon the recommendation of the sponsor $\underline{\text{or}}$ $\underline{\text{the charter school}}$ and the approval of both parties to the agreement.
- (d) The governing body of the charter school shall make annual progress reports to its sponsor, which upon verification shall be forwarded to the Commissioner of Education at the same time as other annual school accountability reports. The report shall contain at least the following information:
- 1. The charter school's progress towards achieving the goals outlined in its charter.
- 2. The information required in the annual school report pursuant to s. 229.592.
- 3. Financial records of the charter school, including revenues and expenditures.
- 4. Salary and benefit levels of charter school employees.

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- (e) A sponsor shall ensure that the charter is innovative and consistent with the state education goals established by s. 229.591.
- (f) Upon receipt of the annual report required by paragraph (d), the Department of Education shall provide to the State Board of Education, the Commissioner of Education, the President of the Senate, and the Speaker of the House of Representatives an analysis and comparison of the overall performance of charter school students, to include all students whose scores are counted as part of the state assessment program, versus comparable public school students in the district as determined by the state assessment program currently administered in the school district, and, as appropriate, the Florida Writes Assessment Test, the High School Competency Test, and other assessments administered pursuant to s. 229.57(3).
- (g) Whenever a municipality has submitted charter applications for the establishment of a charter school feeder pattern (elementary, middle, and senior high schools), and upon approval of each individual charter application by the district school board, such applications will then be designated as one charter for all purposes listed pursuant to this section.
 - (11)(10) CAUSES FOR NONRENEWAL OR TERMINATION. --
- (a) At the end of the term of a charter, the sponsor may choose not to renew the charter for any of the following grounds:
- Failure to meet the requirements for student performance stated in the charter.
- Failure to meet generally accepted standards of 31 fiscal management.

3. Violation of law.

- 4. Other good cause shown.
- (b) During the term of a charter, the sponsor may terminate the charter for any of the grounds listed in paragraph (a).
- (c) At least 90 days prior to renewing or terminating a charter, the sponsor shall notify the governing body of the school of the proposed action in writing. The notice shall state in reasonable detail the grounds for the proposed action and stipulate that the school's governing body may, within 14 days after receiving the notice, request an informal hearing before the sponsor. The sponsor shall conduct the informal hearing within 30 days after receiving a written request. The charter school's governing body may, within 14 days after receiving the sponsor's decision to terminate or refuse to renew the charter, appeal the decision pursuant to the procedure established in subsection (4).
- (d) A charter may be terminated immediately if the sponsor determines that good cause has been shown or if the health, safety, or welfare of the students is threatened. The school district in which the charter school is located shall assume operation of the school under these circumstances.
- (e) When a charter is not renewed or is terminated, the school shall be dissolved under the provisions of law under which the school was organized, and any unencumbered funds from the charter school shall revert to the district school board. In the event a charter school is dissolved or is otherwise terminated, all district school board property and improvements, furnishings, and equipment purchased with public funds shall automatically revert to full ownership by

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30 31 the district school board, subject to complete satisfaction of any lawful liens or encumbrances.

- (f) If a charter is not renewed or is terminated, the governing body of the school is responsible for all debts of the charter school. The district may not assume the debt from any contract for services made between the governing body of the school and a third party, except for a debt that is previously detailed and agreed upon in writing by both the district and the governing body of the school and that may not reasonably be assumed to have been satisfied by the district.
- (g) If a charter is not renewed or is terminated, a student who attended the school may apply to, and shall be enrolled in, another public school. Normal application deadlines shall be disregarded under such circumstances.

(12)(11) EXEMPTION FROM STATUTES.--A charter school shall operate in accordance with its charter and shall be exempt from all statutes of the Florida School Code, except those specifically applying to charter schools and those pertaining to civil rights and student health, safety, and welfare, or as otherwise required by this section. A charter school shall not be exempt from the following statutes: chapter 119, relating to public records, and s. 286.011, relating to public meetings and records, public inspection, and penalties. A charter school must comply with the Florida School Code with respect to providing services to students with disabilities and must comply with the antidiscrimination provisions of s. 228.2001. The sponsor, upon request of a charter school, may apply to the Commissioner of Education for a waiver of provisions of chapters 230 through 239 which are applicable to charter schools under this section, except that the provisions of chapters 236 or 237 shall not be eligible

 for waiver if the waiver would affect funding allocations or create inequity in public school funding. The commissioner may grant the waiver if necessary to implement the school program.

(13)(12) EMPLOYEES OF CHARTER SCHOOLS.--

- (a) A charter school shall select its own employees. A charter school may contract with its sponsor for the services of personnel employed by the sponsor.
- (b) Charter school employees shall have the option to bargain collectively. Employees may collectively bargain as a separate unit or as part of the existing district collective bargaining unit as determined by the structure of the charter school.
- (c) The employees of a conversion charter school shall remain public employees for all purposes, unless such employees choose not to do so.
- (d) The teachers at a charter school may choose to be part of a professional group that subcontracts with the charter school to operate the instructional program under the auspices of a partnership or cooperative that they collectively own. Under this arrangement, the teachers would not be public employees.
- (e) Employees of a school district may take leave to accept employment in a charter school upon the approval of the district school board. While employed by the charter school and on leave that is approved by the school board, the employee may retain seniority accrued in that school district and may continue to be covered by the benefit programs of that school district, if the charter school and the district school board agree to this arrangement and its financing. School districts shall not require resignations of teachers desiring to teach in a charter school. This paragraph shall not

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prohibit a school board from approving alternative leave arrangements consistent with chapter 231.

- (f) Teachers employed by or under contract to a charter school shall be certified as required by chapter 231. A charter school governing board may employ or contract with skilled selected noncertified personnel to provide instructional services or to assist instructional staff members as education paraprofessionals in the same manner as defined in chapter 231, and as provided by State Board of Education rule for charter school governing boards. A charter school may not employ an individual to provide instructional services or to serve as an education paraprofessional if the individual's certification or licensure as an educator is suspended or revoked by this or any other state. A charter school may not knowingly employ an individual who has resigned from a school district in lieu of disciplinary action with respect to child welfare or safety, or who has been dismissed for just cause by any school district with respect to child welfare or safety. The qualifications of teachers shall be disclosed to parents.
- (g) A charter school shall employ or contract with employees who have been fingerprinted as provided in s. 231.02. Members of the governing board of the charter school shall also be fingerprinted in a manner similar to that provided in s. 231.02 prior to approval of the charter.
- (14)(13) REVENUE.--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 chartered developmental research school shall be as provided in s. 228.053(9).

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- (a) Each charter school shall report its student enrollment to the district school board as required in s. 236.081, and in accordance with the definitions in s. 236.013. The district school board shall include each charter school's enrollment in the district's report of student enrollment.
- (b) The basis for the agreement for funding students enrolled in a charter school shall be the sum of the school district's operating funds from the Florida Education Finance Program as provided in s. 236.081 and the General Appropriations Act, including gross state and local funds, discretionary lottery funds, and funds from the school district's current operating discretionary millage levy; divided by total funded weighted full-time equivalent students in the school district; multiplied by the weighted full-time equivalent students for the charter school. Charter schools whose students or programs meet the eligibility criteria in law shall be entitled to their proportionate share of categorical program funds included in the total funds available in the Florida Education Finance Program by the Legislature, including transportation. Total funding for each charter school will be recalculated during the year to reflect the revised calculations under the Florida Education Finance Program by the state and the actual weighted full-time equivalent students reported by the charter school during the full-time equivalent student survey periods designated by the Commissioner of Education.
- (c) Transportation of charter school students shall be provided by the charter school consistent with the requirements of chapter 234. The governing body of the charter school may provide transportation through an agreement or contract with the district school board, a private provider,

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 or parents. The charter school and the sponsor shall cooperate in making arrangements that ensure that transportation is not a barrier to equal access for all students residing within a reasonable distance of the charter school as determined in its charter.

- (d) If the district school board is providing programs or services to students funded by federal funds, any eligible students enrolled in charter schools in the school district shall be provided federal funds for the same level of service provided students in the schools operated by the district school board. Pursuant to provisions of 20 U.S.C. 8061 s. 10306, all charter schools shall receive all federal funding for which the school is otherwise eligible, including Title I funding, not later than 5 months after the charter school first opens and within 5 months after any subsequent expansion of enrollment.
- (e) Any administrative fee charged by the school district relating to a charter school shall be limited to 5 percent of the available funds as defined in paragraph (b). The sponsor shall provide certain administrative and educational services to charter schools at no additional fee. These services shall include contract management services, FTE and data reporting, exceptional student education administration, test administration, processing of teacher certificate data, and information services.
- (f) School boards shall make every effort to ensure that charter schools receive timely and efficient reimbursement, including processing paperwork required to access special state and federal funding for which they may be eligible. The district school board may distribute funds to a charter school for up to 3 months based on the projected

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full-time equivalent student membership of the charter school. Thereafter, the results of full-time equivalent student membership surveys must be used in adjusting the amount of funds distributed monthly to the charter school for the remainder of the fiscal year. The payment shall be issued no later than 10 working days after the district school board receives a distribution of state or federal funds. If a warrant for payment is not issued within 30 working days after receipt of funding by the district school board, the school district shall pay to the charter school, in addition to the amount of the scheduled disbursement, interest at a rate of 1 percent per month calculated on a daily basis on the unpaid balance from the expiration of the 30-day period until such time as the warrant is issued.

- (g) If a district school board facility or property is available because it is surplus, marked for disposal, or otherwise unused, it shall be provided for a charter school's use 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 organizers shall agree to reasonable maintenance provisions in order to maintain the facility in a manner similar to district school board standards.
- (h) If other goods and services are made available to 31 the charter school through the contract with the school

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district, they shall be provided to the charter school at a rate no greater than the district's actual cost. To maximize the use of state funds, school districts shall allow charter schools to participate in the sponsor's bulk purchasing program if applicable.

(15)(14) IMMUNITY.--For the purposes of tort liability, the governing body and employees of a charter school shall be governed by s. 768.28.

(16)(15) LENGTH OF SCHOOL YEAR.--A charter school shall provide instruction for at least the number of days required by law for other public schools, and may provide instruction for additional days.

(17)(16) FACILITIES.--A charter school shall utilize facilities which comply with the State Uniform Building Code for Public Educational Facilities Construction adopted pursuant to s. 235.26 or with applicable state minimum building codes pursuant to chapter 553 and state minimum fire protection codes pursuant to s. 633.025, as adopted by the authority in whose jurisdiction the facility is located. After January 1, 2001, a charter school shall utilize facilities that comply with the Florida Building Code under chapter 553 and the Florida Fire Prevention Code under chapter 633. Any portion of a facility used for a charter school shall be exempt from ad valorem taxes for the duration of its use as a charter school.

(18) (17) INITIAL COSTS. -- A sponsor may approve a charter for a charter school before the applicant has secured space, equipment, or personnel, if the applicant indicates approval is necessary for it to raise working capital.

(19)(18) INFORMATION. -- The Department of Education 31 | shall provide information to the public, directly and through

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30 31 sponsors, both on how to form and operate a charter school and on how to enroll in charter schools once they are created. This information shall include a standard application format which shall include the information specified in subsection (9). This application format may be used by chartering entities.

(20)(19) GENERAL AUTHORITY.--A charter school shall not levy taxes or issue bonds secured by tax revenues.

(21)(20) REVIEW.--

- (a) The Department of Education shall regularly convene a Charter School Review Panel in order to review issues, practices, and policies regarding charter schools. The composition of the review panel shall include individuals with experience in finance, administration, law, education, and school governance, and individuals familiar with charter school construction and operation. The panel shall include two appointees each from the Commissioner of Education, the President of the Senate, and the Speaker of the House of Representatives. The Governor shall appoint three members of the panel and shall designate the chair. Each member of the panel shall serve a 1-year term, unless renewed by the office making the appointment. The panel shall make recommendations to the Legislature, to the Department of Education, to charter schools, and to school districts for improving charter school operations and oversight and for ensuring best business practices at and fair business relationships with charter schools.
- (b) The Legislature shall review the operation of charter schools during the $\underline{2005}$ $\underline{2000}$ Regular Session of the Legislature.

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(22)(21) RULEMAKING.--The Department of Education, after consultation with school districts and charter school directors, shall recommend that the State Board of Education adopt rules to implement specific subsections of this section. Such rules shall require minimum paperwork and shall not limit charter school flexibility authorized by statute.

(23)(22) CHARTER SCHOOLS-IN-THE-WORKPLACE.--

- (a) In order to increase business partnerships in education, to reduce school and classroom overcrowding throughout the state, and to offset the high costs for educational facilities construction, the Legislature intends to encourage the formation of business partnership schools or satellite learning centers through charter school status.
- established when a business partner provides the school facility to be used; enrolls students based upon a random lottery which involves all of the children of employees of that business or corporation who are seeking enrollment, as provided for in subsection (6); and enrolls students according to the racial/ethnic balance provisions described in subparagraph (9)(a)8. Any portion of a facility used for a public charter school shall be exempt from ad valorem taxes, as provided for in s. 235.198, for the duration of its use as a public school.

Section 2. Section 228.0561, Florida Statutes, is amended to read:

228.0561 Charter schools capital outlay funding.--

(1) In each year in which funds are appropriated for charter school capital outlay purposes, the Commissioner of Education shall allocate the funds among eligible charter schools. To be eligible for a funding allocation, a charter

school must meet the provisions of subsection (6), must have received final approval from its sponsor pursuant to s. 3 228.056 for operation during that fiscal year, and must serve 4 students in facilities that are not provided by the charter 5 school's sponsor. Prior to the release of capital outlay 6 funds to a school district on behalf of the charter school, 7 the Department of Education shall ensure that the district school board and the charter school governing board enter into 9 a written agreement that includes provisions for the reversion 10 of any unencumbered funds and all equipment and property 11 purchased with public education funds to the ownership of the district school board, as provided for in subsection (3), in 12 13 the event that the school terminates operations. recovered by the state shall be deposited in the General 14 Revenue Fund. A charter school is not eligible for a funding 15 allocation if it was created by the conversion of a public 16 17 school and operates in facilities provided by the charter 18 school's sponsor for a nominal fee or at no charge. Unless 19 otherwise provided in the General Appropriations Act, the 20 funding allocation for each eligible charter school shall be determined by multiplying the school's projected student 21 enrollment by one-fifteenth one-thirtieth of the 22 cost-per-student station specified in s. 235.435(6)(b) for an 23 24 elementary, middle, or high school, as appropriate. If the 25 funds appropriated are not sufficient, the commissioner shall prorate the available funds among eligible charter schools. 26 In the first quarter of the fiscal year, Funds shall be 27 28 distributed on the basis of the capital outlay 29 full-time-equivalent membership by grade level organization by averaging the results of the second and third enrollment 30 31 surveys. Sixty percent shall be distributed after the second

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30 31 enrollment survey and the balance as calculated shall be distributed after the third enrollment survey.projected enrollment as provided in this section. The commissioner shall adjust subsequent distributions as necessary to reflect each charter school's actual student enrollment. The commissioner shall establish the intervals and procedures for determining the projected and actual student enrollment of eligible charter schools. If a school district chooses to share funding for the capital outlay purposes described in subsection (2) with the applicable charter school or charter school or charter school shall be reduced by the amount shared.

- (2) A charter school's governing body may use charter school capital outlay funds for any capital outlay purpose that is directly related to the functioning of the charter school, including the:
 - (a) Purchase of real property.
- (b) Construction, renovation, repair, and maintenance of school facilities.
- (c) Purchase, lease-purchase, or lease of permanent or relocatable school facilities.
- (d) Purchase of vehicles to transport students to and from the charter school.
- (3) When a charter school is nonrenewed or terminated, any unencumbered funds and all equipment and property purchased with public funds shall revert to the ownership of the district school board, as provided for in s. 228.056(10)(e) and (f). The reversion of such equipment, property, and furnishings shall focus on recoverable assets,

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leasing fees, normal maintenance, and limited renovations. The reversion of all property secured with public funds is subject to the complete satisfaction of all lawful liens or encumbrances. If there are additional local issues such as the shared use of facilities or partial ownership of facilities or property, these issues shall be agreed to in the charter contract prior to the expenditure of funds.

- (4) The Commissioner of Education shall specify procedures for submitting and approving requests for funding under this section and procedures for documenting expenditures.
- (5) The annual legislative budget request of the Department of Education shall include a request for capital outlay funding for charter schools. The request shall be based on the projected number of students to be served in charter schools who meet the eligibility requirements of this section.
- (6) Unless authorized otherwise by the Legislature, allocation and proration of charter school capital outlay funds shall be made to eligible charter schools by the Commissioner of Education in an amount and in a manner authorized by subsection (1).
- (7) The commissioner may award pilot-project grants for charter-school-facilities construction to charter schools that have successfully operated for 2 years prior to applying for the grant and that serve students who:
- (a) Are in a family having a family income at or below 150 percent of the federal poverty level;
- (b) Are assigned to a public school that received a grade of F in the preceding year;

1 (c) Have a diagnosed disability and an individual 2 education plan to address the disability; 3 (d) Have a record of poor school attendance; or 4 Have an adjudication in the juvenile justice

system or the criminal justice system.

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The commissioner must award the pilot projects through a competitive-bid process. The Department of Education must provide plan review and other technical assistance during the construction of charter school facilities that are funded by the pilot-project grants.

Section 3. Section 196.29, Florida Statutes, is amended to read:

196.29 Cancellation of certain taxes on real property acquired by a county, school board, or community college district board of trustees. -- Whenever any county, school board, charter school, or community college district board of trustees of this state has heretofore acquired, or shall hereafter acquire, title to any real property, the taxes of all political subdivisions, as defined in s. 1.01, upon such property for the year in which title to such property was acquired, or shall hereafter be acquired, shall be that portion of the taxes levied or accrued against such property for such year which the portion of such year which has expired at the date of such acquisition bears to the entire year, and the remainder of such taxes for such year shall stand canceled.

Section 4. Section 236.0817, Florida Statutes, is amended to read:

236.0817 Developmental research schools; eligibility 31 | for categorical funding.--Categorical funds for developmental

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research schools, including a developmental research school to which a charter has been issued under s. 228.056(4)(e), shall be allocated pursuant to s. 228.053(9)(a).

Section 5. Subsections (2) and (9) of section 228.053, Florida Statutes, are amended to read:

228.053 Developmental research schools.--

- (2) ESTABLISHMENT.--There is established a category of public schools to be known as developmental research schools. Each developmental research school shall provide sequential instruction and shall be affiliated with the college of education within the state university of closest geographic proximity. A developmental research school to which a charter has been issued under s. 228.056(4)(e) must be affiliated with the college of education within the state university that issued the charter, but is not subject to the requirement that the state university be of closest geographic proximity. For the purpose of state funding, Florida Agricultural and Mechanical University, Florida Atlantic University, Florida State University, the University of Florida, and other universities approved by the Board of Regents, the State Board of Education, and the Legislature are authorized to sponsor developmental research schools.
- (9) FUNDING.--Funding for a developmental research school, including a developmental research school to which a charter has been issued under s. 228.056(4)(e), shall be as follows:
- (a) Each developmental research school shall be allocated its proportional share of operating funds from the Florida Education Finance Program as provided in s. 236.081 and the General Appropriations Act. The nonvoted ad valorem 31 | millage that would otherwise be required for developmental

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research schools shall be allocated from state funds. The required local effort funds calculated pursuant to s. 236.081 shall be allocated from state funds to the schools as a part of the allocation of operating funds pursuant to s. 236.081. Each eligible developmental research school shall also receive a proportional share of the sparsity supplement as calculated pursuant to s. 236.081. In addition, each developmental research school shall receive its proportional share of all categorical funds, with the exception of s. 236.083, and new categorical funds enacted after July 1, 1994, for the purpose of elementary or secondary academic program enhancement. The sum of funds available as provided in this paragraph shall be included annually in the Florida Education Finance Program and appropriate categorical programs funded in the General Appropriations Act.

- (b) There is created a Developmental Research School Educational Facility Trust Fund to be administered by the Commissioner of Education. Allocations from such fund shall be expended solely for the purpose of facility construction, repair, renovation, remodeling, site improvement, or maintenance. The commissioner shall administer the fund in accordance with ss. 235.41-235.435.
- (c) All operating funds provided under this section shall be deposited in a Developmental Research School Trust Fund in the State Treasury and shall be expended for the purposes of this section. The university assigned a developmental research school shall be the fiscal agent for these funds, and all rules of the university governing the budgeting and expenditure of state funds shall apply to these funds unless otherwise provided by law or rule of the State 31 | Board of Education. The Board of Regents shall be the public

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30 31 employer of developmental research school personnel for collective bargaining purposes.

- (d) Each developmental research school shall receive funds for operating purposes in an amount determined as follows: multiply the maximum allowable nonvoted discretionary millage for operations pursuant to s. 236.25(1) by the value of 95 percent of the current year's taxable value for school purposes for the district in which each developmental research school is located; divide the result by the total full-time equivalent membership of the district; and multiply the result by the full-time equivalent membership of the developmental research school. The amount thus obtained shall be discretionary operating funds and shall be appropriated from state funds in the General Appropriations Act to the Developmental Research School Trust Fund.
- (e) Each developmental research school shall receive funds for capital improvement purposes in an amount determined as follows: multiply the maximum allowable nonvoted discretionary millage for capital improvements pursuant to s. 236.25(2) by the value of 95 percent of the current year's taxable value for school purposes for the district in which each developmental research school is located; divide the result by the total full-time equivalent membership of the district; and multiply the result by the full-time equivalent membership of the developmental research school. The amount thus obtained shall be discretionary capital improvement funds and shall be appropriated from state funds in the General Appropriations Act to the Developmental Research School Educational Facility Trust Fund. For purposes of this paragraph, the full-time equivalent membership of the developmental research school shall not include the 25

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unweighted full-time equivalent count specified in paragraph (h).

- (f) In addition to the funds appropriated for capital outlay budget needs, developmental research schools may receive specific funding as specified in the General Appropriations Act for upgrading, renovating, and remodeling science laboratories.
- (q) Each developmental research school is designated a teacher education center and may provide inservice training to school district personnel. The Department of Education shall provide funds to the Developmental Research School Trust Fund for this purpose from appropriations for inservice teacher education.
- (h) In addition to capital outlay funds otherwise provided for in this subsection, a developmental research school to which a charter has been issued under s. 228.056(4)(e), is eligible to receive funding for charter school capital outlay if it meets the eligibility requirements of s. 228.0561.

Section 6. Subsection (4) of section 228.505, Florida Statutes, is amended to read:

228.505 Charter technical career centers.--

(4) CHARTER. -- A sponsor may designate centers as provided in this section. An application to establish a center may be submitted by a sponsor or another organization that is determined, by rule of the State Board of Education, to be appropriate. However, an independent school is not eliqible for status as a center. The charter must be signed by the governing body of the center and the sponsor, and must be approved by the district school board and community college 31 | board of trustees in whose geographic region the facility is

 by the conversion to charter status of a public technical center formerly governed by a district school board, the charter status of that center takes precedence in any question of governance. The governance of the center or of any program within the center remains with its board of directors unless the board agrees to a change in governance or its charter is revoked as provided in subsection (15). Such a conversion charter technical career center is not affected by a change in the governance of public technical centers or of programs within other centers that are or have been governed by district school boards. An applicant who wishes to establish a center must submit to the local school board or community college district board of trustees, or a consortium of one or more of each, an application that includes:

- (a) The name of the proposed center.
- (b) The proposed structure of the center, including a list of proposed members of the board of directors or a description of the qualifications for and method of their appointment or election.
- (c) The workforce development goals of the center, the curriculum to be offered, and the outcomes and the methods of assessing the extent to which the outcomes are met.
- (d) The admissions policy and criteria for evaluating the admission of students.
- (e) A description of the staff responsibilities and the proposed qualifications of the teaching staff.
- (f) A description of the procedures to be implemented to ensure significant involvement of representatives of business and industry in the operation of the center.

- (g) A method for determining whether a student has satisfied the requirements for graduation specified in s. 232.246 and for completion of a postsecondary certificate or degree.
- (h) A method for granting secondary and postsecondary diplomas, certificates, and degrees.
- (i) A description of and address for the physical facility in which the center will be located.
- (j) A method of resolving conflicts between the governing body of the center and the sponsor and between consortium members, if applicable.
- (k) A method for reporting student data as required by law and rule.
- (1) Other information required by the local school board or community college district board of trustees.

Students at a center must meet the same testing and academic performance standards as those established by law and rule for students at public schools and public technical centers. The students must also meet any additional assessment indicators that are included within the charter approved by the district school board or community college district board of trustees.

Section 7. This act shall take effect upon becoming a law.

1	STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN COMMITTEE SUBSTITUTE FOR
2	<u>SB 1574</u>
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4	The Committee Substitute differs from SB 1574 in the following ways:
5 6	Parents will have the authority to propose converting an existing public school to a charter school.
7 8	The term days means calendar days unless otherwise specified, and if a school district fails to approve or deny a charter within 60 days of receipt of an application, the application
9	will be deemed approved.
10	Either a charter school or a sponsor can request modifications to a charter during the duration of the charter. Both parties must agree to the change.
11 12 13	The period of time during which a charter school must demonstrate exemplary performance before applying for a fifteen year charter is reduced from 3 years to 2 years.
14	Charter school capital outlay funding will be at an annual rate of 1/15 of a student station, rather than 1/30.
15 16	The Commissioner of Education is authorized to award pilot program grants for construction of facilities by charter schools that have successfully operated for two years and that serve students: whose family income is below 150 percent of the poverty level; who are assigned to a school with a grade of F; have a diagnosed disability and an individual education plan; have a record of poor school attendance; or have an adjudication in the juvenile justice system or the criminal justice system.
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20	After January 1, 2001, charter schools must use facilities
21	that comply with the Florida Building Code under chapter 553, F.S., and the Florida Fire Prevention Code under chapter 633,
22	F.S.
23	A developmental research school that becomes a charter school will be eligible for capital outlay funds as a charter school and as a developmental research school; will admit students eligible to attend the developmental research school or those
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25	who live in the school district; will not have to provide alternative placement for teachers who chose no to teach at the charter school unless the university's employment policies
26	authorize such arrangements; will be able to charge a student activities fee; and will not have to be affiliated with the
27	university in closest proximity to the developmental research school.
28	A charter technical career center will continue to be
2930	sponsored by the school district that granted the charter in the event that there is a change in governance of public technical centers.
31	The Legislature must review charter schools during the 2005 Legislative Session.

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Charter schools are granted an ad valorem tax exemption under s. 196.29, F.S. \,
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      When a charter school is dissolved or terminated, the property will revert to the school board subject to the complete satisfaction of any lawful liens or encumbrances.
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