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A bill to be entitled

An act relating to charter schools; amending s. 1002.33, F.S.; providing guiding principles; requiring an emphasis on reading; authorizing a state university or community college to sponsor a charter school; requiring certain accountability measures; revising application requirements; requiring fiscal projections in a charter application; extending the time allowed for the State Board of Education to act on an appeal; requiring auditors to provide notification of certain financial conditions; providing additional requirements for a charter school's annual report; eliminating limitations on the number of charter schools per school district; creating the Charter School Accountability and Funding Authority and providing purpose, composition, and duties; eliminating a review panel; revising provisions relating to the analysis of charter school performance; amending s. 1002.32, F.S.; correcting cross references; amending s. 1013.62, F.S.; requiring the Charter School Accountability and Funding Authority to recommend allocations of capital outlay funds to charter schools; providing priorities; eliminating a formula for providing allocations; providing an effective date.

WHEREAS, in the 2002-2003 school year, Florida has 223 charter schools educating approximately 51,000 Florida students, with a projected increase of 117 additional charter schools in the next school year, and

WHEREAS, this rate of growth is a dramatic increase over the prior averages of 36 charter schools per year, and



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31 WHEREAS, while charter schools are public schools, their
 32 unique populations or small size mean that few of them are
 33 eligible for inclusion in the state's accountability system,
 34 with only 38 of the 173 charter schools receiving a school
 35 performance grade in 2002, and

36 WHEREAS, the issue of charter school accountability is of
 37 the utmost importance at this time of budget constraints and
 38 heightened awareness of public ethics, NOW, THEREFORE,

39

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

41

42 Section 1. Subsections (2), (5), (6), (7), (8), (9), (13),
 43 (23), and (24) of section 1002.33, Florida Statutes, are amended
 44 to read:

45 1002.33 Charter schools.--

46 (2) GUIDING PRINCIPLES; PURPOSE.--

47 (a) Charter schools in Florida shall be guided by the
 48 following principles:

49 1. Meet high standards of student achievement while
 50 providing parents flexibility to choose among diverse
 51 educational opportunities within the state's public school
 52 system.

53 2. Promote enhanced academic success and financial
 54 efficiency by aligning responsibility with accountability.

55 3. Provide parents with sufficient information on whether
 56 their child is reading at grade level and whether the child
 57 gains at least a year's worth of learning for every year spent
 58 in the charter school.

59 (b)~~(a)~~ Charter schools shall fulfill the following
 60 purposes:



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- 61 1. Improve student learning and academic achievement.
- 62 2. Increase learning opportunities for all students, with
- 63 special emphasis on low-performing students and reading.
- 64 3. Create new professional opportunities for teachers,
- 65 including ownership of the learning program at the school site.
- 66 4. Encourage the use of innovative learning methods.
- 67 5. Require the measurement of learning outcomes.
- 68 (c)(b) Charter schools may fulfill the following purposes:
- 69 1. Create innovative measurement tools.
- 70 2. Provide rigorous competition within the public school
- 71 district to stimulate continual improvement in all public
- 72 schools.
- 73 3. Expand the capacity of the public school system.
- 74 (5) SPONSOR.--
- 75 (a) A district school board may sponsor a charter school
- 76 in the county over which the district school board has
- 77 jurisdiction.
- 78 (b) A community college may sponsor a charter school,
- 79 within each community college district, on its own or in
- 80 partnership with an independent postsecondary educational
- 81 institution.
- 82 (c)(b) A state university may sponsor a charter school on
- 83 its own or in partnership with an independent postsecondary
- 84 educational institution. A state university may grant a charter
- 85 to a lab school created under s. 1002.32 and shall be considered
- 86 to be the school's sponsor. Such school shall be considered a
- 87 charter lab school.
- 88 (d) If a state university or a community college sponsors
- 89 a charter school that offers secondary education, it must
- 90 provide an option to receive an associate degree.



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91 (e)~~(e)~~ The sponsor shall monitor and review the charter
 92 school in its progress toward the goals established in the
 93 charter.

94 (f)~~(d)~~ The sponsor shall monitor the revenues and
 95 expenditures of the charter school.

96 (g)~~(e)~~ The sponsor may approve a charter for a charter
 97 school before the applicant has secured space, equipment, or
 98 personnel, if the applicant indicates approval is necessary for
 99 it to raise working capital.

100 (h)~~(f)~~ The sponsor's policies shall not apply to a charter
 101 school.

102 (i)~~(g)~~ A sponsor shall ensure that the charter is
 103 innovative and consistent with the state education goals
 104 established by s. 1000.03(5).

105 (j) The sponsor shall ensure that the charter school
 106 participates in the state's education accountability system and
 107 shall use appropriate interventions and sanctions if a charter
 108 school falls short of performance measures included in the
 109 approved charter.

110 (6) APPLICATION PROCESS AND REVIEW.--Beginning September
 111 1, 2003, applications are subject to the following requirements:

112 (a) A person or entity wishing to open a charter school
 113 shall prepare an application that:

114 1. Demonstrates how the school will use the guiding
 115 principles and meet the statutorily defined purpose of a charter
 116 school.

117 2. Provides a detailed curriculum plan that illustrates
 118 how students will be provided services to attain the Sunshine
 119 State Standards.

120 3. Contains goals and objectives for improving student



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121 learning and measuring that improvement. These goals and
 122 objectives must indicate how much academic improvement students
 123 are expected to show each year, how success will be evaluated,
 124 and the specific results to be attained through instruction.

125 4. Describes the reading curriculum and differentiated
 126 strategies that will be used for students reading at grade level
 127 or higher and a separate curriculum and strategies for students
 128 who are reading below grade level. A sponsor shall deny a
 129 charter if the school does not propose a reading curriculum that
 130 is consistent with effective teaching strategies that are
 131 grounded in scientifically based reading research.

132 5. Contains an annual financial plan for each year
 133 requested by the charter for operation of the school for up to 5
 134 years. This plan must contain anticipated fund balances based on
 135 revenue projections, a spending plan based on projected revenues
 136 and expenses, and a description of controls that will safeguard
 137 finances and projected enrollment trends.

138 (b)(a) A district school board, university board of
 139 trustees, or community college board of trustees shall receive
 140 and review all applications for a charter school. The sponsor A
 141 district school board shall receive and consider charter school
 142 applications received on or before October 1 of each calendar
 143 year for charter schools to be opened at the beginning of the
 144 school district's next school year, or to be opened at a time
 145 agreed to by the applicant and the sponsor district school
 146 board. A sponsor district school board may receive applications
 147 later than this date if it chooses. A sponsor may not charge an
 148 applicant for a charter any fee for the processing or
 149 consideration of an application, and a sponsor may not base its



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150 consideration or approval of an application upon the promise of
 151 future payment of any kind.

152 1. In order to facilitate an accurate budget projection
 153 process, a district school board shall be held harmless for FTE
 154 students who are not included in the FTE projection due to
 155 approval of charter school applications after the FTE projection
 156 deadline. In a further effort to facilitate an accurate budget
 157 projection, within 15 calendar days after receipt of a charter
 158 school application, a district school board or other sponsor
 159 shall report to the Department of Education the name of the
 160 applicant entity, the proposed charter school location, and its
 161 projected FTE.

162 2. In order to ensure fiscal responsibility, an
 163 application for a charter school shall include a full accounting
 164 of expected assets, a projection of expected sources and amounts
 165 of income, including income derived from projected student
 166 enrollments and from community support, and an expense
 167 projection that includes full accounting of the costs of
 168 operation, including start-up costs.

169 3.2- The sponsor ~~A district school board~~ shall by a
 170 majority vote approve or deny an application no later than 60
 171 calendar days after the application is received, unless the
 172 sponsor ~~district school board~~ and the applicant mutually agree
 173 to temporarily postpone the vote to a specific date, at which
 174 time the sponsor ~~district school board~~ shall by a majority vote
 175 approve or deny the application. If the sponsor ~~district school~~
 176 ~~board~~ fails to act on the application, an applicant may appeal
 177 to the State Board of Education as provided in paragraph (c) ~~(b)~~.
 178 If an application is denied, the sponsor ~~district school board~~
 179 shall, within 10 calendar days, articulate in writing the



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180 specific reasons based upon good cause supporting its denial of
181 the charter application.

182 ~~4.3-~~ For budget projection purposes, the district school
183 board or other sponsor shall report to the Department of
184 Education the approval or denial of a charter application within
185 10 calendar days after such approval or denial. In the event of
186 approval, the report to the Department of Education shall
187 include the final projected FTE for the approved charter school.

188 ~~5.4-~~ Upon approval of a charter application, the initial
189 startup shall commence with the beginning of the public school
190 calendar for the district in which the charter is granted unless
191 the sponsor ~~district school board~~ allows a waiver of this
192 provision for good cause.

193 ~~(c)(b)~~ An applicant may appeal any denial of that
194 applicant's application or failure to act on an application to
195 the State Board of Education no later than 30 calendar days
196 after receipt of the sponsor's ~~district school board's~~ decision
197 or failure to act and shall notify the sponsor ~~district school~~
198 ~~board~~ of its appeal. Any response by the sponsor ~~of the district~~
199 ~~school board~~ shall be submitted to the State Board of Education
200 within 30 calendar days after notification of the appeal. Upon
201 receipt of notification from the State Board of Education that a
202 charter school applicant is filing an appeal, the Commissioner
203 of Education shall convene a meeting of the Charter School
204 Appeal Commission to study and make recommendations to the State
205 Board of Education regarding its pending decision about the
206 appeal. The commission shall forward its recommendation to the
207 state board no later than 7 calendar days prior to the date on
208 which the appeal is to be heard. The State Board of Education
209 shall by majority vote accept or reject the decision of the



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210 sponsor ~~district school board~~ no later than 90 ~~60~~ calendar days
 211 after an appeal is filed in accordance with State Board of
 212 Education rule. The Charter School Appeal Commission may reject
 213 an appeal submission for failure to comply with procedural rules
 214 governing the appeals process. The rejection shall describe the
 215 submission errors. The appellant may have up to 15 calendar days
 216 from notice of rejection to resubmit an appeal that meets
 217 requirements of State Board of Education rule. An application
 218 for appeal submitted subsequent to such rejection shall be
 219 considered timely if the original appeal was filed within 30
 220 calendar days after receipt of notice of the specific reasons
 221 for the ~~district school board's~~ denial of the charter
 222 application. The State Board of Education shall remand the
 223 application to the sponsor ~~district school board~~ with its
 224 written decision that the sponsor ~~district school board~~ approve
 225 or deny the application. The sponsor ~~district school board~~ shall
 226 implement the decision of the State Board of Education. The
 227 decision of the State Board of Education is not subject to the
 228 provisions of the Administrative Procedure Act, chapter 120.

229 (d)~~(e)~~ The sponsor ~~district school board~~ shall act upon
 230 the decision of the State Board of Education within 30 calendar
 231 days after it is received. The State Board of Education's
 232 decision is a final action subject to judicial review.

233 (e)~~(d)~~1. A Charter School Appeal Commission is established
 234 to assist the commissioner and the State Board of Education with
 235 a fair and impartial review of appeals by applicants whose
 236 charters have been denied or whose charter contracts have not
 237 been renewed by their sponsors.

238 2. The Charter School Appeal Commission may receive copies
 239 of the appeal documents forwarded to the State Board of



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240 Education, review the documents, gather other applicable
241 information regarding the appeal, and make a written
242 recommendation to the commissioner. The recommendation must
243 state whether the appeal should be upheld or denied and include
244 the reasons for the recommendation being offered. The
245 commissioner shall forward the recommendation to the State Board
246 of Education no later than 7 calendar days prior to the date on
247 which the appeal is to be heard. The state board must consider
248 the commission's recommendation in making its decision, but is
249 not bound by the recommendation. The decision of the Charter
250 School Appeal Commission is not subject to the provisions of the
251 Administrative Procedure Act, chapter 120.

252 3. The commissioner shall appoint the members of the
253 Charter School Appeal Commission. Members shall serve without
254 compensation but may be reimbursed for travel and per diem
255 expenses in conjunction with their service. One-half of the
256 members must represent currently operating charter schools, and
257 one-half of the members must represent school districts. The
258 commissioner or a named designee shall chair the Charter School
259 Appeal Commission.

260 4. The chair shall convene meetings of the commission and
261 shall ensure that the written recommendations are completed and
262 forwarded in a timely manner. In cases where the commission
263 cannot reach a decision, the chair shall make the written
264 recommendation with justification, noting that the decision was
265 rendered by the chair.

266 5. Commission members shall thoroughly review the
267 materials presented to them from the appellant and the sponsor.
268 The commission may request information to clarify the
269 documentation presented to it. In the course of its review, the



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270 commission may facilitate the postponement of an appeal in those
271 cases where additional time and communication may negate the
272 need for a formal appeal and both parties agree, in writing, to
273 postpone the appeal to the State Board of Education. A new date
274 certain for the appeal shall then be set based upon the rules
275 and procedures of the State Board of Education. Commission
276 members shall provide a written recommendation to the state
277 board as to whether the appeal should be upheld or denied. A
278 fact-based justification for the recommendation must be
279 included. The chair must ensure that the written recommendation
280 is submitted to the State Board of Education members no later
281 than 7 calendar days prior to the date on which the appeal is to
282 be heard. Both parties in the case shall also be provided a copy
283 of the recommendation.

284 ~~(f)(e)~~ The Department of Education may provide technical
285 assistance to an applicant upon written request.

286 ~~(g)(f)~~ In considering charter applications for a lab
287 school, a state university shall consult with the district
288 school board of the county in which the lab school is located.
289 The decision of a state university may be appealed pursuant to
290 the procedure established in this subsection.

291 (h) Prior to approving a charter, a state university or
292 community college board of trustees shall consult with the
293 district school board of the county in which the charter school
294 is to be located.

295 ~~(i)(g)~~ The terms and conditions for the operation of a
296 charter school shall be set forth by the sponsor and the
297 applicant in a written contractual agreement, called a charter.
298 The sponsor shall not impose unreasonable rules or regulations
299 that violate the intent of giving charter schools greater



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300 flexibility to meet educational goals. The applicant and sponsor
301 shall have 6 months in which to mutually agree to the provisions
302 of the charter. The Department of Education shall provide
303 mediation services for any dispute regarding this section
304 subsequent to the approval of a charter application and for any
305 dispute relating to the approved charter, except disputes
306 regarding charter school application denials. If the
307 Commissioner of Education determines that the dispute cannot be
308 settled through mediation, the dispute may be appealed to an
309 administrative law judge appointed by the Division of
310 Administrative Hearings. The administrative law judge may rule
311 on issues of equitable treatment of the charter school as a
312 public school, whether proposed provisions of the charter
313 violate the intended flexibility granted charter schools by
314 statute, or on any other matter regarding this section except a
315 charter school application denial, and shall award the
316 prevailing party reasonable attorney's fees and costs incurred
317 to be paid by the losing party. The costs of the administrative
318 hearing shall be paid by the party whom the administrative law
319 judge rules against.

320 (7) CHARTER.--The major issues involving the operation of
321 a charter school shall be considered in advance and written into
322 the charter. The charter shall be signed by the governing body
323 of the charter school and the sponsor, following a public
324 hearing to ensure community input.

325 (a) The charter shall address, and criteria for approval
326 of the charter shall be based on:

327 1. The school's mission, the students to be served, and
328 the ages and grades to be included.



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329 2. The focus of the curriculum, the instructional methods
330 to be used, any distinctive instructional techniques to be
331 employed, and identification and acquisition of appropriate
332 technologies needed to improve educational and administrative
333 performance which include a means for promoting safe, ethical,
334 and appropriate uses of technology which comply with legal and
335 professional standards. The charter shall ensure that reading is
336 a primary focus of the curriculum and that resources are
337 provided to identify and provide specialized instruction for
338 students who are reading below grade level. The curriculum and
339 instructional strategies for reading must be consistent with the
340 Sunshine State Standards and grounded in scientifically based
341 reading research.

342 3. The current incoming baseline standard of student
343 academic achievement, the outcomes to be achieved, and the
344 method of measurement that will be used. The criteria listed in
345 this subparagraph shall include a detailed description for each
346 of the following:

347 a. How the baseline student academic achievement levels
348 and prior rates of academic progress will be established.

349 b. How these baseline rates will be compared to rates of
350 academic progress achieved by these same students while
351 attending the charter school.

352 c. To the extent possible, how these rates of progress
353 will be evaluated and compared with rates of progress of other
354 closely comparable student populations.

355

356 The district school board is required to provide academic
357 student performance data to charter schools for each of their
358 students coming from the district school system, as well as



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359 rates of academic progress of comparable student populations in
360 the district school system.

361 4. The methods used to identify the educational strengths
362 and needs of students and how well educational goals and
363 performance standards are met by students attending the charter
364 school. Included in the methods is a means for the charter
365 school to ensure accountability to its constituents by analyzing
366 student performance data and by evaluating the effectiveness and
367 efficiency of its major educational programs. Students in
368 charter schools shall, at a minimum, participate in the
369 statewide assessment program created under s. 1008.22.

370 5. In secondary charter schools, a method for determining
371 that a student has satisfied the requirements for graduation in
372 s. 1003.43.

373 6. A method for resolving conflicts between the governing
374 body of the charter school and the sponsor.

375 7. The admissions procedures and dismissal procedures,
376 including the school's code of student conduct.

377 8. The ways by which the school will achieve a
378 racial/ethnic balance reflective of the community it serves or
379 within the racial/ethnic range of other public schools in the
380 same school district.

381 9. The financial and administrative management of the
382 school, including a reasonable demonstration of the professional
383 experience or competence of those individuals or organizations
384 applying to operate the charter school or those hired or
385 retained to perform such professional services and the
386 description of clearly delineated responsibilities and the
387 policies and practices needed to effectively manage the charter
388 school. A description of internal audit procedures and



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389 establishment of controls to ensure that financial resources are
390 properly managed must be included. Both public sector and
391 private sector professional experience shall be equally valid in
392 such a consideration.

393 10. The asset and liability projections required in the
394 application which are incorporated into the charter and shall be
395 compared with information provided in the annual report of the
396 charter school. The charter shall ensure that, if a charter
397 school internal audit reveals a deficit financial position, the
398 auditors are required to notify the charter school governing
399 board, the sponsor, and the Department of Education.

400 ~~11.10.~~ A description of procedures that identify various
401 risks and provide for a comprehensive approach to reduce the
402 impact of losses; plans to ensure the safety and security of
403 students and staff; plans to identify, minimize, and protect
404 others from violent or disruptive student behavior; and the
405 manner in which the school will be insured, including whether or
406 not the school will be required to have liability insurance,
407 and, if so, the terms and conditions thereof and the amounts of
408 coverage.

409 ~~12.11.~~ The term of the charter which shall provide for
410 cancellation of the charter if insufficient progress has been
411 made in attaining the student achievement objectives of the
412 charter and if it is not likely that such objectives can be
413 achieved before expiration of the charter. The initial term of a
414 charter shall be for 3, 4, or 5 years. In order to facilitate
415 access to long-term financial resources for charter school
416 construction, charter schools that are operated by a
417 municipality or other public entity as provided by law are
418 eligible for up to a 15-year charter, subject to approval by the



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419 sponsor ~~district school board~~. A charter lab school is eligible
420 for a charter for a term of up to 15 years. In addition, to
421 facilitate access to long-term financial resources for charter
422 school construction, charter schools that are operated by a
423 private, not-for-profit, s. 501(c)(3) status corporation are
424 eligible for up to a 10-year charter, subject to approval by the
425 sponsor ~~district school board~~. Such long-term charters remain
426 subject to annual review and may be terminated during the term
427 of the charter, but only for specific good cause according to
428 the provisions set forth in subsection (8).

429 ~~13.12.~~ The facilities to be used and their location.

430 ~~14.13.~~ The qualifications to be required of the teachers
431 and the potential strategies used to recruit, hire, train, and
432 retain qualified staff to achieve best value.

433 ~~15.14.~~ The governance structure of the school, including
434 the status of the charter school as a public or private employer
435 as required in paragraph (12)(i).

436 ~~16.15.~~ A timetable for implementing the charter which
437 addresses the implementation of each element thereof and the
438 date by which the charter shall be awarded in order to meet this
439 timetable.

440 ~~17.16.~~ In the case of an existing public school being
441 converted to charter status, alternative arrangements for
442 current students who choose not to attend the charter school and
443 for current teachers who choose not to teach in the charter
444 school after conversion in accordance with the existing
445 collective bargaining agreement or district school board rule in
446 the absence of a collective bargaining agreement. However,
447 alternative arrangements shall not be required for current
448 teachers who choose not to teach in a charter lab school, except



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449 as authorized by the employment policies of the state university
 450 which grants the charter to the lab school.

451 (b) A charter may be renewed every 5 school years,
 452 provided that a program review demonstrates that the criteria in
 453 paragraph (a) have been successfully accomplished and that none
 454 of the grounds for nonrenewal established by paragraph (8)(a)
 455 has been documented. In order to facilitate long-term financing
 456 for charter school construction, charter schools operating for a
 457 minimum of 2 years and demonstrating exemplary academic
 458 programming and fiscal management are eligible for a 15-year
 459 charter renewal. Such long-term charter is subject to annual
 460 review and may be terminated during the term of the charter.

461 (c) A charter may be modified during its initial term or
 462 any renewal term upon the recommendation of the sponsor or the
 463 charter school governing board and the approval of both parties
 464 to the agreement.

465 (8) CAUSES FOR NONRENEWAL OR TERMINATION OF CHARTER.--

466 (a) At the end of the term of a charter, the sponsor may
 467 choose not to renew the charter for any of the following
 468 grounds:

469 1. Failure to participate in the state's education
 470 accountability system created in s. 1008.31, as required in this
 471 section, or failure to meet the requirements for student
 472 performance stated in the charter.

473 2. Failure to meet generally accepted standards of fiscal
 474 management.

475 3. Violation of law.

476 4. Other good cause shown.



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477 (b) During the term of a charter, the sponsor may
478 terminate the charter for any of the grounds listed in paragraph
479 (a).

480 (c) At least 90 days prior to renewing or terminating a
481 charter, the sponsor shall notify the governing body of the
482 school of the proposed action in writing. The notice shall state
483 in reasonable detail the grounds for the proposed action and
484 stipulate that the school's governing body may, within 14
485 calendar days after receiving the notice, request an informal
486 hearing before the sponsor. The sponsor shall conduct the
487 informal hearing within 30 calendar days after receiving a
488 written request. The charter school's governing body may, within
489 14 calendar days after receiving the sponsor's decision to
490 terminate or refuse to renew the charter, appeal the decision
491 pursuant to the procedure established in subsection (6).

492 (d) A charter may be terminated immediately if the sponsor
493 determines that good cause has been shown or if the health,
494 safety, or welfare of the students is threatened. The school
495 district in which the charter school is located shall assume
496 operation of the school under these circumstances. The charter
497 school's governing board may, within 14 days after receiving the
498 sponsor's decision to terminate the charter, appeal the decision
499 pursuant to the procedure established in subsection (6).

500 (e) When a charter is not renewed or is terminated, the
501 school shall be dissolved under the provisions of law under
502 which the school was organized, and any unencumbered public
503 funds from the charter school shall revert to the district
504 school board. In the event a charter school is dissolved or is
505 otherwise terminated, all district school board property and
506 improvements, furnishings, and equipment purchased with public



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507 funds shall automatically revert to full ownership by the
508 district school board, subject to complete satisfaction of any
509 lawful liens or encumbrances. Any unencumbered public funds from
510 the charter school, district school board property and
511 improvements, furnishings, and equipment purchased with public
512 funds, or financial or other records pertaining to the charter
513 school, in the possession of any person, entity, or holding
514 company, other than the charter school, shall be held in trust
515 upon the district school board's request, until any appeal
516 status is resolved.

517 (f) If a charter is not renewed or is terminated, the
518 charter school is responsible for all debts of the charter
519 school. The district may not assume the debt from any contract
520 for services made between the governing body of the school and a
521 third party, except for a debt that is previously detailed and
522 agreed upon in writing by both the district and the governing
523 body of the school and that may not reasonably be assumed to
524 have been satisfied by the district.

525 (g) If a charter is not renewed or is terminated, a
526 student who attended the school may apply to, and shall be
527 enrolled in, another public school. Normal application deadlines
528 shall be disregarded under such circumstances.

529 (9) CHARTER SCHOOL REQUIREMENTS.--

530 (a) A charter school shall be nonsectarian in its
531 programs, admission policies, employment practices, and
532 operations.

533 (b) A charter school shall admit students as provided in
534 subsection (10).

535 (c) A charter school shall be accountable to its sponsor
536 for performance as provided in subsection (7).



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537 (d) A charter school shall not charge tuition or
 538 registration fees, except those fees normally charged by other
 539 public schools. However, a charter lab school may charge a
 540 student activity and service fee as authorized by s. 1002.32(5).

541 (e) A charter school shall meet all applicable state and
 542 local health, safety, and civil rights requirements.

543 (f) A charter school shall not violate the
 544 antidiscrimination provisions of s. 1000.05.

545 (g) A charter school shall provide for an annual financial
 546 audit in accordance with s. 218.39.

547 (h) No organization shall hold more than 15 charters
 548 statewide.

549 (i) In order to provide financial information that is
 550 comparable to that reported for other public schools, charter
 551 schools are to maintain all financial records which constitute
 552 their accounting system:

553 1. In accordance with the accounts and codes prescribed in
 554 the most recent issuance of the publication titled "Financial
 555 and Program Cost Accounting and Reporting for Florida Schools";
 556 or

557 2. At the discretion of the charter school governing
 558 board, a charter school may elect to follow generally accepted
 559 accounting standards for not-for-profit organizations, but must
 560 reformat this information for reporting according to this
 561 paragraph.

562
 563 Charter schools are to provide annual financial report and
 564 program cost report information in the state-required formats
 565 for inclusion in district reporting in compliance with s.
 566 1011.60(1). Charter schools that are operated by a municipality



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567 or are a component unit of a parent nonprofit organization may
 568 use the accounting system of the municipality or the parent but
 569 must reformat this information for reporting according to this
 570 paragraph.

571 (j) The governing board of the charter school shall
 572 annually adopt and maintain an operating budget.

573 (k) The governing body of the charter school shall
 574 exercise continuing oversight over charter school operations.
 575 ~~and make annual progress reports to its sponsor, which upon~~
 576 ~~verification shall be forwarded to the Commissioner of Education~~
 577 ~~at the same time as other annual school accountability reports.~~
 578 ~~The report shall contain at least the following information:~~

579 (1) The governing body of the charter school shall report
 580 its progress annually to its sponsor, which shall verify and
 581 forward the report to the Commissioner of Education at the same
 582 time as other annual school accountability reports. The
 583 Department of Education shall consult with the Charter School
 584 Accountability and Funding Authority to provide suggested
 585 guidelines and a format or template for the annual report. The
 586 department shall include in its compilation a notation that the
 587 school failed to file its report by the established deadline.
 588 The guidelines shall include at least the following components:

589 1. Student achievement performance data, including the
 590 information required for the annual school report and the
 591 education accountability system governed by ss. 1008.31 and
 592 1008.345. Charter schools are subject to the same accountability
 593 requirements as other public schools, including reports of
 594 student achievement information that links baseline student data
 595 to the school's performance projections identified in the
 596 charter. The charter school shall identify reasons for any



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597 difference between projected and actual student performance ~~The~~
 598 ~~charter school's progress toward achieving the goals outlined in~~
 599 ~~its charter.~~

600 2. Financial status of the charter school, according to
 601 guidelines recommended by the Charter School Accountability and
 602 Funding Authority and provided by the Department of Education.
 603 The guidelines must include revenues and expenditures at a level
 604 of detail that allows for analysis of the ability to meet
 605 financial obligations and timely repayment of debt ~~The~~
 606 ~~information required in the annual school report pursuant to s.~~
 607 ~~1008.345.~~

608 3. Documentation of the facilities in current use and any
 609 planned facilities for use by the charter school for instruction
 610 of students, administrative functions, or investment purposes
 611 ~~Financial records of the charter school, including revenues and~~
 612 ~~expenditures.~~

613 4. Descriptive information about the charter school's
 614 personnel, including salary and benefit levels of charter school
 615 employees and the proportion of instructional personnel who hold
 616 professional or temporary certificates.

617 (m)(1) A charter school shall not levy taxes or issue
 618 bonds secured by tax revenues.

619 (n)(m) A charter school shall provide instruction for at
 620 least the number of days required by law for other public
 621 schools, and may provide instruction for additional days.

622 (13) NUMBER OF SCHOOLS.--There shall be no limitation on
 623 the number of newly created charter schools that may be
 624 authorized in any county. Any district school board policy that
 625 seeks to limit the number of newly created charter schools shall



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626 be subject to review and approval by the State Board of
 627 Education prior to its taking effect.

628 ~~(a) The number of newly created charter schools is limited~~
 629 ~~to no more than 28 in each school district that has 100,000 or~~
 630 ~~more students, no more than 20 in each school district that has~~
 631 ~~50,000 to 99,999 students, and no more than 12 in each school~~
 632 ~~district with fewer than 50,000 students.~~

633 ~~(b) An existing public school which converts to a charter~~
 634 ~~school shall not be counted toward the limit established by~~
 635 ~~paragraph (a).~~

636 ~~(c) Notwithstanding any limit established by this~~
 637 ~~subsection, a district school board or a charter school~~
 638 ~~applicant shall have the right to request an increase of the~~
 639 ~~limit on the number of charter schools authorized to be~~
 640 ~~established within the district from the State Board of~~
 641 ~~Education.~~

642 ~~(d) Whenever a municipality has submitted charter~~
 643 ~~applications for the establishment of a charter school feeder~~
 644 ~~pattern (elementary, middle, and senior high schools), and upon~~
 645 ~~approval of each individual charter application by the district~~
 646 ~~school board, such applications shall then be designated as one~~
 647 ~~charter school for all purposes listed pursuant to this section.~~

648 (23) CHARTER SCHOOL ACCOUNTABILITY AND FUNDING AUTHORITY;
 649 ~~CHARTER SCHOOL REVIEW PANEL AND LEGISLATIVE REVIEW.--~~

650 (a) The Department of Education shall regularly convene a
 651 Charter School Accountability and Funding Authority Review Panel
 652 in order to evaluate performance accountability of charter
 653 schools and oversee funding as required by s. 1013.62 review
 654 ~~issues, practices, and policies regarding charter schools.~~



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655 1. The composition of the authority ~~review panel~~ shall
656 include individuals with experience in finance, administration,
657 law, education, and school governance, and individuals familiar
658 with charter school construction and operation. No current
659 charter school operator or sponsor shall be a member of the
660 authority. The panel shall include two appointees each from the
661 Commissioner of Education, the President of the Senate, and the
662 Speaker of the House of Representatives. The Governor shall
663 appoint three members of the authority ~~panel~~ and shall annually
664 designate the chair. The members of the authority shall serve 3-
665 year staggered terms and shall be eligible for reappointment
666 ~~Each member of the panel shall serve a 1-year term, unless~~
667 ~~renewed by the office making the appointment.~~

668 2. The Charter School Accountability and Funding Authority
669 ~~panel~~ shall make recommendations to the Legislature, to the
670 State Board ~~Department~~ of Education, to charter schools, and to
671 school districts on ~~for~~ improving charter school operations, and
672 ~~oversight and for~~ ensuring best business practices ~~at~~ and fair
673 business relationships, and distributing facilities funding with
674 ~~charter schools.~~

675 3. Annually, the Charter School Accountability and Funding
676 Authority shall recommend an allocation for charter schools
677 facilities funding as required by s. 1013.62. Charter schools
678 are not eligible for facilities funding unless they have been in
679 operation for 3 or more years. The authority shall determine the
680 priorities based on an analysis of the charter school's previous
681 3 years of operation and shall use at least the following
682 criteria:

683 a. The charter school's need for permanent construction
684 related to the size and mission of the school.



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- 685 b. The financial stability of the charter school,
- 686 including any multiyear funding commitments.
- 687 c. Parental satisfaction.
- 688 d. Improved student performance.
- 689 e. Other appropriate accountability and performance data.

690 (b) The Legislature shall review the operation of charter
 691 schools during the 2005 Regular Session of the Legislature.

692 (24) ANALYSIS OF CHARTER SCHOOL PERFORMANCE.--Upon receipt
 693 of the annual report required by paragraph (9)(l) ~~(9)(k)~~, the
 694 Department of Education shall provide to the State Board of
 695 Education, the Commissioner of Education, the Governor, the
 696 President of the Senate, ~~and~~ the Speaker of the House of
 697 Representatives, and the Charter School Accountability and
 698 Funding Authority an analysis and comparison of the overall
 699 performance of charter school students, to include all students
 700 whose scores are counted as part of the statewide assessment
 701 program, versus comparable public school students in the
 702 district as determined by the statewide assessment program
 703 currently administered in the school district, and other
 704 assessments administered pursuant to s. 1008.22(3). If a charter
 705 school is required to prepare a performance improvement plan,
 706 the Department of Education shall immediately report that
 707 charter school to the Charter School Accountability and Funding
 708 Authority.

709 Section 2. Subsection (2) and paragraph (h) of subsection
 710 (9) of section 1002.32, Florida Statutes, are amended to read:

711 1002.32 Developmental research (laboratory) schools.--

712 (2) ESTABLISHMENT.--There is established a category of
 713 public schools to be known as developmental research
 714 (laboratory) schools (lab schools). Each lab school shall



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715 provide sequential instruction and shall be affiliated with the
 716 college of education within the state university of closest
 717 geographic proximity. A lab school to which a charter has been
 718 issued under s. 1002.33(5)(c)~~(5)(b)~~ must be affiliated with the
 719 college of education within the state university that issued the
 720 charter, but is not subject to the requirement that the state
 721 university be of closest geographic proximity. For the purpose
 722 of state funding, Florida Agricultural and Mechanical
 723 University, Florida Atlantic University, Florida State
 724 University, the University of Florida, and other universities
 725 approved by the State Board of Education and the Legislature are
 726 authorized to sponsor one or more lab schools.

727 (9) FUNDING.--Funding for a lab school, including a
 728 charter lab school, shall be provided as follows:

729 (h) A lab school to which a charter has been issued under
 730 s. 1002.33(5)(c)~~(5)(b)~~ is eligible to receive funding for
 731 charter school capital outlay if it meets the eligibility
 732 requirements of s. 1013.62. If the lab school receives funds
 733 from charter school capital outlay, the school shall receive
 734 capital outlay funds otherwise provided in this subsection only
 735 to the extent that funds allocated pursuant to s. 1013.62 are
 736 insufficient to provide capital outlay funds to the lab school
 737 at one-fifteenth of the cost per student station.

738 Section 3. Section 1013.62, Florida Statutes, is amended
 739 to read:

740 1013.62 Charter schools capital outlay funding.--

741 (1) In each year in which funds are appropriated for
 742 charter school capital outlay purposes, the Commissioner of
 743 Education shall allocate the funds among ~~eligible~~ charter
 744 schools. The commissioner shall allocate the funds based on



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745 recommendations provided by the Charter School Accountability
746 and Funding Authority. To be eligible for a funding allocation,
747 a charter school must meet the provisions of subsection (6),
748 must have received final approval from its sponsor pursuant to
749 s. 1002.33 for operation during that fiscal year, and must serve
750 students in facilities that are not provided by the charter
751 school's sponsor. Prior to the release of capital outlay funds
752 to a school district on behalf of the charter school, the
753 Department of Education shall ensure that the charter school
754 sponsor ~~district school board~~ and the charter school governing
755 board enter into a written agreement that includes provisions
756 for the reversion of any unencumbered funds and all equipment
757 and property purchased with public education funds to the
758 ownership of the sponsor ~~district school board~~, as provided for
759 in subsection (3), in the event that the school terminates
760 operations. Any funds recovered by the state shall be deposited
761 in the General Revenue Fund. A charter school is not eligible
762 for a funding allocation if it was created by the conversion of
763 a public school and operates in facilities provided by the
764 charter school's sponsor for a nominal fee or at no charge or if
765 it is directly or indirectly operated by the school district.
766 ~~Unless otherwise provided in the General Appropriations Act, the~~
767 ~~funding allocation for each eligible charter school shall be~~
768 ~~determined by multiplying the school's projected student~~
769 ~~enrollment by one-fifteenth of the cost per student station~~
770 ~~specified in s. 1013.64(6)(b) for an elementary, middle, or high~~
771 ~~school, as appropriate. If the funds appropriated are not~~
772 ~~sufficient, the commissioner shall prorate the available funds~~
773 ~~among eligible charter schools. Funds shall be distributed on~~
774 ~~the basis of the capital outlay full-time equivalent membership~~



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775 ~~by grade level, which shall be calculated by averaging the~~
 776 ~~results of the second and third enrollment surveys.~~ The
 777 Department of Education shall distribute capital outlay funds
 778 monthly, beginning in the first quarter of the fiscal year,
 779 based on one-twelfth of the amount the department reasonably
 780 expects the charter school to receive during that fiscal year.
 781 The commissioner shall adjust subsequent distributions as
 782 necessary to reflect each charter school's actual student
 783 enrollment as reflected in the second and third enrollment
 784 surveys. The commissioner shall establish the intervals and
 785 procedures for determining the projected and actual student
 786 enrollment of eligible charter schools.

787 (2) Annually, the Charter School Accountability and
 788 Funding Authority shall recommend an allocation for charter
 789 schools facilities funding as required by this section. Charter
 790 schools are not eligible for facilities funding unless they have
 791 been in operation for 3 or more years. The authority shall
 792 determine the priorities based on an analysis of the charter
 793 school's previous 3 years of operation and shall use at least
 794 the following criteria:

795 (a) The charter school's need for permanent construction
 796 related to the size and mission of the school.

797 (b) The financial stability of the charter school,
 798 including any multiyear funding commitments.

799 (c) Parental satisfaction.

800 (d) Improved student performance.

801 (e) Other appropriate accountability and performance data.

802 ~~(3)~~ ~~(2)~~ A charter school's governing body may use charter
 803 school capital outlay funds for any capital outlay purpose that



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804 is directly related to the functioning of the charter school,
805 including the:

806 (a) Purchase of real property.

807 (b) Construction, renovation, repair, and maintenance of
808 school facilities.

809 (c) Purchase, lease-purchase, or lease of permanent or
810 relocatable school facilities.

811 (d) Purchase of vehicles to transport students to and from
812 the charter school.

813 (4)~~(3)~~ When a charter school is nonrenewed or terminated,
814 any unencumbered funds and all equipment and property purchased
815 with district public funds shall revert to the ownership of the
816 district school board, as provided for in s. 1002.33(8)(e) and
817 (f). In the case of a charter school operated by a state
818 university or a community college, or a charter lab school, any
819 unencumbered funds and all equipment and property purchased with
820 that institution's ~~university~~ public funds shall revert to the
821 ownership of the institution ~~state university~~ that issued the
822 charter. The reversion of such equipment, property, and
823 furnishings shall focus on recoverable assets, but not on
824 intangible or irrecoverable costs such as rental or leasing
825 fees, normal maintenance, and limited renovations. The reversion
826 of all property secured with public funds is subject to the
827 complete satisfaction of all lawful liens or encumbrances. If
828 there are additional local issues such as the shared use of
829 facilities or partial ownership of facilities or property, these
830 issues shall be agreed to in the charter contract prior to the
831 expenditure of funds.



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832 (5)~~(4)~~ The Commissioner of Education shall specify
 833 procedures for submitting and approving requests for funding
 834 under this section and procedures for documenting expenditures.

835 (6)~~(5)~~ The annual legislative budget request of the
 836 Department of Education shall include a request for capital
 837 outlay funding for charter schools. The request shall be based
 838 on the projected number of students to be served in charter
 839 schools who meet the eligibility requirements of this section. A
 840 dedicated funding source, if identified in writing by the
 841 Commissioner of Education and submitted along with the annual
 842 charter school legislative budget request, may be considered an
 843 additional source of funding.

844 (7)~~(6)~~ Unless authorized otherwise by the Legislature,
 845 allocation ~~and proration~~ of charter school capital outlay funds
 846 shall be made to ~~eligible~~ charter schools by the Commissioner of
 847 Education in an amount and in a manner authorized by subsection
 848 (1).

849 Section 4. This act shall take effect September 1, 2003.