



CHAMBER ACTION

The Committee on Education K-20 recommends the following:

Committee Substitute

Remove the entire bill and insert:

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; requiring certain accountability measures; authorizing community colleges to develop charter schools; 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 ss. 1002.32 and 1011.68, F.S.; correcting cross references; amending s. 1013.62, F.S.; requiring the Charter School Accountability



29 | and Funding Authority to recommend allocations of capital
 30 | outlay funds to charter schools; providing eligibility
 31 | criteria for funding; providing priorities; eliminating a
 32 | formula for providing allocations; providing an effective
 33 | date.

34 |
 35 | WHEREAS, in the 2002-2003 school year, Florida has 223
 36 | charter schools educating approximately 51,000 Florida students,
 37 | with a projected increase of 117 additional charter schools in
 38 | the next school year, and

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

41 | WHEREAS, while charter schools are public schools, their
 42 | unique populations or small size mean that few of them are
 43 | eligible for inclusion in the state's accountability system,
 44 | with only 38 of the 173 charter schools receiving a school
 45 | performance grade in 2002, and

46 | WHEREAS, the issue of charter school accountability is of
 47 | the utmost importance at this time of budget constraints and
 48 | heightened awareness of public ethics, NOW, THEREFORE,

49 |
 50 | Be It Enacted by the Legislature of the State of Florida:

51 |
 52 | Section 1. Subsections (2), (5), (6), (7), (8), (9), (10),
 53 | (13), (21), (23), and (24) of section 1002.33, Florida Statutes,
 54 | are amended and present subsections (14) through (26) are
 55 | renumbered as subsections (13) through (25), respectively, to
 56 | read:



57 | 1002.33 Charter schools.--

58 | (2) GUIDING PRINCIPLES; PURPOSE.—

59 | (a) Charter schools in Florida shall be guided by the

60 | following principles:

61 | 1. Meet high standards of student achievement while

62 | providing parents flexibility to choose among diverse

63 | educational opportunities within the state’s public school

64 | system.

65 | 2. Promote enhanced academic success and financial

66 | efficiency by aligning responsibility with accountability.

67 | 3. Provide parents with sufficient information on whether

68 | their child is reading at grade level and whether the child

69 | gains at least a year’s worth of learning for every year spent

70 | in the charter school.

71 | 4. Provide an innovative and stable plan for capital

72 | outlay funding.

73 | (b)(a) Charter schools shall fulfill the following

74 | purposes:

75 | 1. Improve student learning and academic achievement.

76 | 2. Increase learning opportunities for all students, with

77 | special emphasis on low-performing students and reading.

78 | 3. Create new professional opportunities for teachers,

79 | including ownership of the learning program at the school site.

80 | 4. Encourage the use of innovative learning methods.

81 | 5. Require the measurement of learning outcomes.

82 | (c)(b) Charter schools may fulfill the following purposes:

83 | 1. Create innovative measurement tools.



84 | 2. Provide rigorous competition within the public school
85 | district to stimulate continual improvement in all public
86 | schools.

87 | 3. Expand the capacity of the public school system.

88 | (5) SPONSOR; DUTIES.--

89 | (a)1. A district school board may sponsor a charter school
90 | in the county over which the district school board has
91 | jurisdiction.

92 | 2.~~(b)~~ A state university may grant a charter to a lab
93 | school created under s. 1002.32 and shall be considered to be
94 | the school's sponsor. Such school shall be considered a charter
95 | lab school.

96 | (b)1.~~(e)~~ The sponsor shall monitor and review the charter
97 | school in its progress toward the goals established in the
98 | charter.

99 | 2.~~(d)~~ The sponsor shall monitor the revenues and
100 | expenditures of the charter school.

101 | 3.~~(e)~~ The sponsor may approve a charter for a charter
102 | school before the applicant has secured space, equipment, or
103 | personnel, if the applicant indicates approval is necessary for
104 | it to raise working capital.

105 | 4.~~(f)~~ The sponsor's policies shall not apply to a charter
106 | school.

107 | 5.~~(g)~~ The A sponsor shall ensure that the charter is
108 | innovative and consistent with the state education goals
109 | established by s. 1000.03(5).

110 | 6. The sponsor shall ensure that the charter school
111 | participates in the state's education accountability system and



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112 shall use appropriate interventions and sanctions if a charter
113 school falls short of performance measures included in the
114 approved charter.

115
116 A community college may work with the school district or school
117 districts in its designated service area to develop charter
118 schools that offer secondary education. These charter schools
119 must include an option for students to receive an associate
120 degree upon high school graduation. District school boards shall
121 cooperate with and assist the community college on the charter
122 application. Community college applications for charter schools
123 are not subject to the time deadlines outlined in subsection (6)
124 and may be approved by the district school board at any time
125 during the year. Community colleges shall not report FTE for any
126 students who receive FTE funding through the Florida Education
127 Finance Program.

128 (6) APPLICATION PROCESS AND REVIEW.--Beginning September
129 1, 2003, applications are subject to the following requirements:

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

132 1. Demonstrates how the school will use the guiding
133 principles and meet the statutorily defined purpose of a charter
134 school.

135 2. Provides a detailed curriculum plan that illustrates
136 how students will be provided services to attain the Sunshine
137 State Standards.

138 3. Contains goals and objectives for improving student
139 learning and measuring that improvement. These goals and



140 objectives must indicate how much academic improvement students
141 are expected to show each year, how success will be evaluated,
142 and the specific results to be attained through instruction.

143 4. Describes the reading curriculum and differentiated
144 strategies that will be used for students reading at grade level
145 or higher and a separate curriculum and strategies for students
146 who are reading below grade level. A sponsor shall deny a
147 charter if the school does not propose a reading curriculum that
148 is consistent with effective teaching strategies that are
149 grounded in scientifically based reading research.

150 5. Contains an annual financial plan for each year
151 requested by the charter for operation of the school for up to 5
152 years. This plan must contain anticipated fund balances based on
153 revenue projections, a spending plan based on projected revenues
154 and expenses, and a description of controls that will safeguard
155 finances and projected enrollment trends.

156 (b)(a) A district school board shall receive and review
157 all applications for a charter school. A district school board
158 shall receive and consider charter school applications received
159 on or before September 1 ~~October 1~~ of each calendar year for
160 charter schools to be opened at the beginning of the school
161 district's next school year, or to be opened at a time agreed to
162 by the applicant and the district school board. A district
163 school board may receive applications later than this date if it
164 chooses. A sponsor may not charge an applicant for a charter any
165 fee for the processing or consideration of an application, and a
166 sponsor may not base its consideration or approval of an
167 application upon the promise of future payment of any kind.



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168 1. In order to facilitate an accurate budget projection
169 process, a district school board shall be held harmless for FTE
170 students who are not included in the FTE projection due to
171 approval of charter school applications after the FTE projection
172 deadline. In a further effort to facilitate an accurate budget
173 projection, within 15 calendar days after receipt of a charter
174 school application, a district school board or other sponsor
175 shall report to the Department of Education the name of the
176 applicant entity, the proposed charter school location, and its
177 projected FTE.

178 2. In order to ensure fiscal responsibility, an
179 application for a charter school shall include a full accounting
180 of expected assets, a projection of expected sources and amounts
181 of income, including income derived from projected student
182 enrollments and from community support, and an expense
183 projection that includes full accounting of the costs of
184 operation, including start-up costs.

185 3.2- A district school board shall by a majority vote
186 approve or deny an application no later than 60 calendar days
187 after the application is received, unless the district school
188 board and the applicant mutually agree to temporarily postpone
189 the vote to a specific date, at which time the district school
190 board shall by a majority vote approve or deny the application.
191 If the district school board fails to act on the application,
192 an applicant may appeal to the State Board of Education as
193 provided in paragraph (c)~~(b)~~. If an application is denied, the
194 district school board shall, within 10 calendar days, articulate



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195 in writing the specific reasons based upon good cause supporting
196 its denial of the charter application.

197 ~~4.3.~~ For budget projection purposes, the district school
198 board or other sponsor shall report to the Department of
199 Education the approval or denial of a charter application within
200 10 calendar days after such approval or denial. In the event of
201 approval, the report to the Department of Education shall
202 include the final projected FTE for the approved charter school.

203 ~~5.4.~~ Upon approval of a charter application, the initial
204 startup shall commence with the beginning of the public school
205 calendar for the district in which the charter is granted unless
206 the district school board allows a waiver of this provision for
207 good cause.

208 ~~(c)(b)~~ An applicant may appeal any denial of that
209 applicant's application or failure to act on an application to
210 the State Board of Education no later than 30 calendar days
211 after receipt of the district school board's decision or failure
212 to act and shall notify the district school board of its appeal.
213 Any response of the district school board shall be submitted to
214 the State Board of Education within 30 calendar days after
215 notification of the appeal. Upon receipt of notification from
216 the State Board of Education that a charter school applicant is
217 filing an appeal, the Commissioner of Education shall convene a
218 meeting of the Charter School Appeal Commission to study and
219 make recommendations to the State Board of Education regarding
220 its pending decision about the appeal. The commission shall
221 forward its recommendation to the state board no later than 7
222 calendar days prior to the date on which the appeal is to be



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223 heard. The State Board of Education shall by majority vote
224 accept or reject the decision of the district school board no
225 later than 90 ~~60~~ calendar days after an appeal is filed in
226 accordance with State Board of Education rule. The Charter
227 School Appeal Commission may reject an appeal submission for
228 failure to comply with procedural rules governing the appeals
229 process. The rejection shall describe the submission errors. The
230 appellant may have up to 15 calendar days from notice of
231 rejection to resubmit an appeal that meets requirements of State
232 Board of Education rule. An application for appeal submitted
233 subsequent to such rejection shall be considered timely if the
234 original appeal was filed within 30 calendar days after receipt
235 of notice of the specific reasons for the district school
236 board's denial of the charter application. The State Board of
237 Education shall remand the application to the district school
238 board with its written decision that the district school board
239 approve or deny the application. The district school board shall
240 implement the decision of the State Board of Education. The
241 decision of the State Board of Education is not subject to the
242 provisions of the Administrative Procedure Act, chapter 120.

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

247 (e)~~(d)~~1. A Charter School Appeal Commission is established
248 to assist the commissioner and the State Board of Education with
249 a fair and impartial review of appeals by applicants whose



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250 | charters have been denied or whose charter contracts have not
251 | been renewed by their sponsors.

252 | 2. The Charter School Appeal Commission may receive copies
253 | of the appeal documents forwarded to the State Board of
254 | Education, review the documents, gather other applicable
255 | information regarding the appeal, and make a written
256 | recommendation to the commissioner. The recommendation must
257 | state whether the appeal should be upheld or denied and include
258 | the reasons for the recommendation being offered. The
259 | commissioner shall forward the recommendation to the State Board
260 | of Education no later than 7 calendar days prior to the date on
261 | which the appeal is to be heard. The state board must consider
262 | the commission's recommendation in making its decision, but is
263 | not bound by the recommendation. The decision of the Charter
264 | School Appeal Commission is not subject to the provisions of the
265 | Administrative Procedure Act, chapter 120.

266 | 3. The commissioner shall appoint the members of the
267 | Charter School Appeal Commission. Members shall serve without
268 | compensation but may be reimbursed for travel and per diem
269 | expenses in conjunction with their service. One-half of the
270 | members must represent currently operating charter schools, and
271 | one-half of the members must represent school districts. The
272 | commissioner or a named designee shall chair the Charter School
273 | Appeal Commission.

274 | 4. The chair shall convene meetings of the commission and
275 | shall ensure that the written recommendations are completed and
276 | forwarded in a timely manner. In cases where the commission
277 | cannot reach a decision, the chair shall make the written



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278 recommendation with justification, noting that the decision was
279 rendered by the chair.

280 5. Commission members shall thoroughly review the
281 materials presented to them from the appellant and the sponsor.
282 The commission may request information to clarify the
283 documentation presented to it. In the course of its review, the
284 commission may facilitate the postponement of an appeal in those
285 cases where additional time and communication may negate the
286 need for a formal appeal and both parties agree, in writing, to
287 postpone the appeal to the State Board of Education. A new date
288 certain for the appeal shall then be set based upon the rules
289 and procedures of the State Board of Education. Commission
290 members shall provide a written recommendation to the state
291 board as to whether the appeal should be upheld or denied. A
292 fact-based justification for the recommendation must be
293 included. The chair must ensure that the written recommendation
294 is submitted to the State Board of Education members no later
295 than 7 calendar days prior to the date on which the appeal is to
296 be heard. Both parties in the case shall also be provided a copy
297 of the recommendation.

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

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



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305 | (h)~~(g)~~ The terms and conditions for the operation of a
306 | charter school shall be set forth by the sponsor and the
307 | applicant in a written contractual agreement, called a charter.
308 | The sponsor shall not impose unreasonable rules or regulations
309 | that violate the intent of giving charter schools greater
310 | flexibility to meet educational goals. The applicant and sponsor
311 | shall have 6 months in which to mutually agree to the provisions
312 | of the charter. The Department of Education shall provide
313 | mediation services for any dispute regarding this section
314 | subsequent to the approval of a charter application and for any
315 | dispute relating to the approved charter, except disputes
316 | regarding charter school application denials. If the
317 | Commissioner of Education determines that the dispute cannot be
318 | settled through mediation, the dispute may be appealed to an
319 | administrative law judge appointed by the Division of
320 | Administrative Hearings. The administrative law judge may rule
321 | on issues of equitable treatment of the charter school as a
322 | public school, whether proposed provisions of the charter
323 | violate the intended flexibility granted charter schools by
324 | statute, or on any other matter regarding this section except a
325 | charter school application denial, and shall award the
326 | prevailing party reasonable attorney's fees and costs incurred
327 | to be paid by the losing party. The costs of the administrative
328 | hearing shall be paid by the party whom the administrative law
329 | judge rules against.

330 | (7) CHARTER.--The major issues involving the operation of
331 | a charter school shall be considered in advance and written into
332 | the charter. The charter shall be signed by the governing body



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333 of the charter school and the sponsor, following a public
334 hearing to ensure community input.

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

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

339 2. The focus of the curriculum, the instructional methods
340 to be used, any distinctive instructional techniques to be
341 employed, and identification and acquisition of appropriate
342 technologies needed to improve educational and administrative
343 performance which include a means for promoting safe, ethical,
344 and appropriate uses of technology which comply with legal and
345 professional standards. The charter shall ensure that reading is
346 a primary focus of the curriculum and that resources are
347 provided to identify and provide specialized instruction for
348 students who are reading below grade level. The curriculum and
349 instructional strategies for reading must be consistent with the
350 Sunshine State Standards and grounded in scientifically based
351 reading research.

352 3. The current incoming baseline standard of student
353 academic achievement, the outcomes to be achieved, and the
354 method of measurement that will be used. The criteria listed in
355 this subparagraph shall include a detailed description for each
356 of the following:

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



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359 | b. How these baseline rates will be compared to rates of
360 | academic progress achieved by these same students while
361 | attending the charter school.

362 | c. To the extent possible, how these rates of progress
363 | will be evaluated and compared with rates of progress of other
364 | closely comparable student populations.

365 |
366 | The district school board is required to provide academic
367 | student performance data to charter schools for each of their
368 | students coming from the district school system, as well as
369 | rates of academic progress of comparable student populations in
370 | the district school system.

371 | 4. The methods used to identify the educational strengths
372 | and needs of students and how well educational goals and
373 | performance standards are met by students attending the charter
374 | school. Included in the methods is a means for the charter
375 | school to ensure accountability to its constituents by analyzing
376 | student performance data and by evaluating the effectiveness and
377 | efficiency of its major educational programs. Students in
378 | charter schools shall, at a minimum, participate in the
379 | statewide assessment program created under s. 1008.22.

380 | 5. In secondary charter schools, a method for determining
381 | that a student has satisfied the requirements for graduation in
382 | s. 1003.43.

383 | 6. A method for resolving conflicts between the governing
384 | body of the charter school and the sponsor.

385 | 7. The admissions procedures and dismissal procedures,
386 | including the school's code of student conduct.



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387 8. The ways by which the school will achieve a
388 racial/ethnic balance reflective of the community it serves or
389 within the racial/ethnic range of other public schools in the
390 same school district.

391 9. The financial and administrative management of the
392 school, including a reasonable demonstration of the professional
393 experience or competence of those individuals or organizations
394 applying to operate the charter school or those hired or
395 retained to perform such professional services and the
396 description of clearly delineated responsibilities and the
397 policies and practices needed to effectively manage the charter
398 school. A description of internal audit procedures and
399 establishment of controls to ensure that financial resources are
400 properly managed must be included. Both public sector and
401 private sector professional experience shall be equally valid in
402 such a consideration.

403 10. The asset and liability projections required in the
404 application which are incorporated into the charter and shall be
405 compared with information provided in the annual report of the
406 charter school. The charter shall ensure that, if a charter
407 school internal audit reveals a deficit financial position, the
408 auditors are required to notify the charter school governing
409 board, the sponsor, and the Department of Education.

410 ~~11.10.~~ A description of procedures that identify various
411 risks and provide for a comprehensive approach to reduce the
412 impact of losses; plans to ensure the safety and security of
413 students and staff; plans to identify, minimize, and protect
414 others from violent or disruptive student behavior; and the



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415 manner in which the school will be insured, including whether or
416 not the school will be required to have liability insurance,
417 and, if so, the terms and conditions thereof and the amounts of
418 coverage.

419 ~~12.11.~~ The term of the charter which shall provide for
420 cancellation of the charter if insufficient progress has been
421 made in attaining the student achievement objectives of the
422 charter and if it is not likely that such objectives can be
423 achieved before expiration of the charter. The initial term of a
424 charter shall be for 3, 4, or 5 years. In order to facilitate
425 access to long-term financial resources for charter school
426 construction, charter schools that are operated by a
427 municipality or other public entity as provided by law are
428 eligible for up to a 15-year charter, subject to approval by the
429 district school board. A charter lab school is eligible for a
430 charter for a term of up to 15 years. In addition, to facilitate
431 access to long-term financial resources for charter school
432 construction, charter schools that are operated by a private,
433 not-for-profit, s. 501(c)(3) status corporation are eligible for
434 up to a 10-year charter, subject to approval by the district
435 school board. Such long-term charters remain subject to annual
436 review and may be terminated during the term of the charter, but
437 only for specific good cause according to the provisions set
438 forth in subsection (8).

439 ~~13.12.~~ The facilities to be used and their location.

440 ~~14.13.~~ The qualifications to be required of the teachers
441 and the potential strategies used to recruit, hire, train, and
442 retain qualified staff to achieve best value.



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443 ~~15.14.~~ The governance structure of the school, including
444 the status of the charter school as a public or private employer
445 as required in paragraph (12)(i).

446 ~~16.15.~~ A timetable for implementing the charter which
447 addresses the implementation of each element thereof and the
448 date by which the charter shall be awarded in order to meet this
449 timetable.

450 ~~17.16.~~ In the case of an existing public school being
451 converted to charter status, alternative arrangements for
452 current students who choose not to attend the charter school and
453 for current teachers who choose not to teach in the charter
454 school after conversion in accordance with the existing
455 collective bargaining agreement or district school board rule in
456 the absence of a collective bargaining agreement. However,
457 alternative arrangements shall not be required for current
458 teachers who choose not to teach in a charter lab school, except
459 as authorized by the employment policies of the state university
460 which grants the charter to the lab school.

461 (b) A charter may be renewed every 5 school years,
462 provided that a program review demonstrates that the criteria in
463 paragraph (a) have been successfully accomplished and that none
464 of the grounds for nonrenewal established by paragraph (8)(a)
465 has been documented. In order to facilitate long-term financing
466 for charter school construction, charter schools operating for a
467 minimum of 2 years and demonstrating exemplary academic
468 programming and fiscal management are eligible for a 15-year
469 charter renewal. Such long-term charter is subject to annual
470 review and may be terminated during the term of the charter.



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471 (c) A charter may be modified during its initial term or
472 any renewal term upon the recommendation of the sponsor or the
473 charter school governing board and the approval of both parties
474 to the agreement.

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

476 (a) At the end of the term of a charter, the sponsor may
477 choose not to renew the charter for any of the following
478 grounds:

479 1. Failure to participate in the state's education
480 accountability system created in s. 1008.31, as required in this
481 section, or failure to meet the requirements for student
482 performance stated in the charter.

483 2. Failure to meet generally accepted standards of fiscal
484 management.

485 3. Violation of law.

486 4. Other good cause shown.

487 (b) During the term of a charter, the sponsor may
488 terminate the charter for any of the grounds listed in paragraph
489 (a).

490 (c) At least 90 days prior to renewing or terminating a
491 charter, the sponsor shall notify the governing body of the
492 school of the proposed action in writing. The notice shall state
493 in reasonable detail the grounds for the proposed action and
494 stipulate that the school's governing body may, within 14
495 calendar days after receiving the notice, request an informal
496 hearing before the sponsor. The sponsor shall conduct the
497 informal hearing within 30 calendar days after receiving a
498 written request. The charter school's governing body may, within



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499 14 calendar days after receiving the sponsor's decision to
500 terminate or refuse to renew the charter, appeal the decision
501 pursuant to the procedure established in subsection (6).

502 (d) A charter may be terminated immediately if the sponsor
503 determines that good cause has been shown or if the health,
504 safety, or welfare of the students is threatened. The school
505 district in which the charter school is located shall assume
506 operation of the school under these circumstances. The charter
507 school's governing board may, within 14 days after receiving the
508 sponsor's decision to terminate the charter, appeal the decision
509 pursuant to the procedure established in subsection (6).

510 (e) When a charter is not renewed or is terminated, the
511 school shall be dissolved under the provisions of law under
512 which the school was organized, and any unencumbered public
513 funds from the charter school shall revert to the district
514 school board. In the event a charter school is dissolved or is
515 otherwise terminated, all district school board property and
516 improvements, furnishings, and equipment purchased with public
517 funds shall automatically revert to full ownership by the
518 district school board, subject to complete satisfaction of any
519 lawful liens or encumbrances. Any unencumbered public funds from
520 the charter school, district school board property and
521 improvements, furnishings, and equipment purchased with public
522 funds, or financial or other records pertaining to the charter
523 school, in the possession of any person, entity, or holding
524 company, other than the charter school, shall be held in trust
525 upon the district school board's request, until any appeal
526 status is resolved.



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527 (f) If a charter is not renewed or is terminated, the
528 charter school is responsible for all debts of the charter
529 school. The district may not assume the debt from any contract
530 for services made between the governing body of the school and a
531 third party, except for a debt that is previously detailed and
532 agreed upon in writing by both the district and the governing
533 body of the school and that may not reasonably be assumed to
534 have been satisfied by the district.

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

539 (9) CHARTER SCHOOL REQUIREMENTS.--

540 (a) A charter school shall be nonsectarian in its
541 programs, admission policies, employment practices, and
542 operations.

543 (b) A charter school shall admit students as provided in
544 subsection (10).

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

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

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

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



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

557 (h) No organization shall hold more than 15 charters
558 statewide.

559 (i) In order to provide financial information that is
560 comparable to that reported for other public schools, charter
561 schools are to maintain all financial records which constitute
562 their accounting system:

563 1. In accordance with the accounts and codes prescribed in
564 the most recent issuance of the publication titled "Financial
565 and Program Cost Accounting and Reporting for Florida Schools";
566 or

567 2. At the discretion of the charter school governing
568 board, a charter school may elect to follow generally accepted
569 accounting standards for not-for-profit organizations, but must
570 reformat this information for reporting according to this
571 paragraph.

572
573 Charter schools are to provide annual financial report and
574 program cost report information in the state-required formats
575 for inclusion in district reporting in compliance with s.
576 1011.60(1). Charter schools that are operated by a municipality
577 or are a component unit of a parent nonprofit organization may
578 use the accounting system of the municipality or the parent but
579 must reformat this information for reporting according to this
580 paragraph.

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



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583 (k) The governing body of the charter school shall
584 exercise continuing oversight over charter school operations ~~and~~
585 ~~make annual progress reports to its sponsor, which upon~~
586 ~~verification shall be forwarded to the Commissioner of Education~~
587 ~~at the same time as other annual school accountability reports.~~
588 ~~The report shall contain at least the following information:~~

589 (1) The governing body of the charter school shall report
590 its progress annually to its sponsor, which shall verify and
591 forward the report to the Commissioner of Education at the same
592 time as other annual school accountability reports. The
593 Department of Education shall consult with the Charter School
594 Accountability and Funding Authority to provide suggested
595 guidelines and a format or template for the annual report. The
596 department shall include in its compilation a notation that the
597 school failed to file its report by the established deadline.
598 The guidelines shall include at least the following components:

599 1. Student achievement performance data, including the
600 information required for the annual school report and the
601 education accountability system governed by ss. 1008.31 and
602 1008.345. Charter schools are subject to the same accountability
603 requirements as other public schools, including reports of
604 student achievement information that links baseline student data
605 to the school's performance projections identified in the
606 charter. The charter school shall identify reasons for any
607 difference between projected and actual student performance ~~The~~
608 ~~charter school's progress toward achieving the goals outlined in~~
609 ~~its charter.~~



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610 2. Financial status of the charter school, according to
611 guidelines recommended by the Charter School Accountability and
612 Funding Authority and provided by the Department of Education.
613 The guidelines must include revenues and expenditures at a level
614 of detail that allows for analysis of the ability to meet
615 financial obligations and timely repayment of debt ~~The~~
616 ~~information required in the annual school report pursuant to s.~~
617 ~~1008.345.~~

618 3. Documentation of the facilities in current use and any
619 planned facilities for use by the charter school for instruction
620 of students, administrative functions, or investment purposes
621 ~~Financial records of the charter school, including revenues and~~
622 ~~expenditures.~~

623 4. Descriptive information about the charter school's
624 personnel, including salary and benefit levels of charter school
625 employees and the proportion of instructional personnel who hold
626 professional or temporary certificates.

627 ~~(m)(1)~~ A charter school shall not levy taxes or issue
628 bonds secured by tax revenues.

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

632 (10) ELIGIBLE STUDENTS.--

633 (a) A charter school shall be open to any student covered
634 in an interdistrict agreement or residing in the school district
635 in which the charter school is located; however, in the case of
636 a charter lab school, the charter lab school shall be open to
637 any student eligible to attend the lab school as provided in s.



638 1002.32 or who resides in the school district in which the
 639 charter lab school is located. Any eligible student shall be
 640 allowed interdistrict transfer to attend a charter school when
 641 based on good cause.

642 (b) The charter school shall enroll an eligible student
 643 who submits a timely application, unless the number of
 644 applications exceeds the capacity of a program, class, grade
 645 level, or building. In such case, all applicants shall have an
 646 equal chance of being admitted through a random selection
 647 process.

648 (c) When a public school converts to charter status,
 649 enrollment preference shall be given to students who would have
 650 otherwise attended that public school.

651 (d) A charter school may give enrollment preference to the
 652 following student populations:

653 1. Students who are siblings of a student enrolled in the
 654 charter school.

655 2. Students who are the children of a member of the
 656 governing board of the charter school.

657 3. Students who are the children of an employee of the
 658 charter school.

659 (e) A charter school may limit the enrollment process only
 660 to target the following student populations:

661 1. Students within specific age groups or grade levels.

662 2. Students considered at risk of dropping out of school
 663 or academic failure. Such students shall include exceptional
 664 education students.



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665 3. Students enrolling in a charter school-in-the-workplace
666 or charter school-in-a-municipality established pursuant to
667 subsection (15)~~(16)~~.

668 4. Students residing within a reasonable distance of the
669 charter school, as described in paragraph (20)~~(21)~~(c). Such
670 students shall be subject to a random lottery and to the
671 racial/ethnic balance provisions described in subparagraph
672 (7)(a)8. or any federal provisions that require a school to
673 achieve a racial/ethnic balance reflective of the community it
674 serves or within the racial/ethnic range of other public schools
675 in the same school district.

676 5. Students who meet reasonable academic, artistic, or
677 other eligibility standards established by the charter school
678 and included in the charter school application and charter or,
679 in the case of existing charter schools, standards that are
680 consistent with the school's mission and purpose. Such standards
681 shall be in accordance with current state law and practice in
682 public schools and may not discriminate against otherwise
683 qualified individuals.

684 6. Students articulating from one charter school to
685 another pursuant to an articulation agreement between the
686 charter schools that has been approved by the sponsor.

687 (f) Students with handicapping conditions and students
688 served in English for Speakers of Other Languages programs shall
689 have an equal opportunity of being selected for enrollment in a
690 charter school.



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691 (g) A student may withdraw from a charter school at any
692 time and enroll in another public school as determined by
693 district school board rule.

694 (h) The capacity of the charter school shall be determined
695 annually by the governing board, in conjunction with the
696 sponsor, of the charter school in consideration of the factors
697 identified in this subsection.

698 ~~(13) NUMBER OF SCHOOLS.—~~

699 ~~(a) The number of newly created charter schools is limited~~
700 ~~to no more than 28 in each school district that has 100,000 or~~
701 ~~more students, no more than 20 in each school district that has~~
702 ~~50,000 to 99,999 students, and no more than 12 in each school~~
703 ~~district with fewer than 50,000 students.~~

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

707 ~~(c) Notwithstanding any limit established by this~~
708 ~~subsection, a district school board or a charter school~~
709 ~~applicant shall have the right to request an increase of the~~
710 ~~limit on the number of charter schools authorized to be~~
711 ~~established within the district from the State Board of~~
712 ~~Education.~~

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



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719 | (20)~~(21)~~ SERVICES.--

720 | (a) A sponsor shall provide certain administrative and
721 | educational services to charter schools. These services shall
722 | include contract management services, full-time equivalent and
723 | data reporting services, exceptional student education
724 | administration services, test administration services,
725 | processing of teacher certificate data services, and information
726 | services. Any administrative fee charged by the sponsor for the
727 | provision of services shall be limited to 5 percent of the
728 | available funds defined in paragraph (17)~~(18)~~(b).

729 | (b) If goods and services are made available to the
730 | charter school through the contract with the school district,
731 | they shall be provided to the charter school at a rate no
732 | greater than the district's actual cost. To maximize the use of
733 | state funds, school districts shall allow charter schools to
734 | participate in the sponsor's bulk purchasing program if
735 | applicable.

736 | (c) Transportation of charter school students shall be
737 | provided by the charter school consistent with the requirements
738 | of subpart I.e. of chapter 1006. The governing body of the
739 | charter school may provide transportation through an agreement
740 | or contract with the district school board, a private provider,
741 | or parents. The charter school and the sponsor shall cooperate
742 | in making arrangements that ensure that transportation is not a
743 | barrier to equal access for all students residing within a
744 | reasonable distance of the charter school as determined in its
745 | charter.



746 ~~(22)(23)~~ CHARTER SCHOOL ACCOUNTABILITY AND FUNDING
747 AUTHORITY; REVIEW PANEL AND LEGISLATIVE REVIEW.—

748 (a) The Department of Education shall regularly convene a
749 Charter School Accountability and Funding Authority Review Panel
750 in order to evaluate compliance with the guiding principles in
751 subsection (2) and performance accountability of charter schools
752 and to oversee funding as required by s. 1013.62 ~~review issues,~~
753 ~~practices, and policies regarding charter schools.~~

754 1. The composition of the authority ~~review panel~~ shall
755 include individuals with experience in finance, administration,
756 law, education, and school governance, and individuals familiar
757 with charter school construction and operation. No current
758 charter school operator or sponsor shall be a member of the
759 authority. The authority ~~panel~~ shall include two appointees each
760 from the Commissioner of Education, the President of the Senate,
761 and the Speaker of the House of Representatives. The Governor
762 shall appoint three members of the authority ~~panel~~ and shall
763 annually designate the chair. The members of the authority shall
764 serve 3-year staggered terms and shall be eligible for
765 reappointment ~~Each member of the panel shall serve a 1-year~~
766 ~~term, unless renewed by the office making the appointment.~~

767 2. The Charter School Accountability and Funding Authority
768 ~~panel~~ shall make recommendations to the Legislature, to the
769 State Board ~~Department~~ of Education, to charter schools, and to
770 school districts on ~~for~~ improving charter school operations, and
771 ~~oversight and for~~ ensuring best business practices at and fair
772 business relationships, and distributing facilities funding with
773 ~~charter schools.~~



774 3. Annually, the Charter School Accountability and Funding
 775 Authority shall recommend an allocation for charter schools
 776 capital outlay funding as required by this section. The
 777 authority shall determine the priorities based on an analysis of
 778 the charter school's compliance with the guiding principles in
 779 subsection (2) and the charter school's previous years of
 780 operation, including, but not limited to, the following
 781 criteria:

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

784 b. The financial stability of the charter school.

785 c. Parental satisfaction.

786 d. Improved student performance.

787 e. Accreditation by the Commission on Schools of the
 788 Southern Association of Colleges and Schools.

789 f. Other appropriate accountability and performance data.

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

792 ~~(23)(24)~~ ANALYSIS OF CHARTER SCHOOL PERFORMANCE.--Upon
 793 receipt of the annual report required by paragraph ~~(9)(1)(9)(k)~~,
 794 the Department of Education shall provide to the State Board of
 795 Education, the Commissioner of Education, the Governor, the
 796 President of the Senate, ~~and~~ the Speaker of the House of
 797 Representatives, and the Charter School Accountability and
 798 Funding Authority an analysis and comparison of the overall
 799 performance of charter school students, to include all students
 800 whose scores are counted as part of the statewide assessment
 801 program, versus comparable public school students in the



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802 district as determined by the statewide assessment program
 803 currently administered in the school district, and other
 804 assessments administered pursuant to s. 1008.22(3). If a charter
 805 school is required to prepare a performance improvement plan,
 806 the Department of Education shall immediately report that
 807 charter school to the Charter School Accountability and Funding
 808 Authority.

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

811 1002.32 Developmental research (laboratory) schools.--

812 (2) ESTABLISHMENT.--There is established a category of
 813 public schools to be known as developmental research
 814 (laboratory) schools (lab schools). Each lab school shall
 815 provide sequential instruction and shall be affiliated with the
 816 college of education within the state university of closest
 817 geographic proximity. A lab school to which a charter has been
 818 issued under s. 1002.33(5)(a)2.~~(5)(b)~~ must be affiliated with
 819 the college of education within the state university that issued
 820 the charter, but is not subject to the requirement that the
 821 state university be of closest geographic proximity. For the
 822 purpose of state funding, Florida Agricultural and Mechanical
 823 University, Florida Atlantic University, Florida State
 824 University, the University of Florida, and other universities
 825 approved by the State Board of Education and the Legislature are
 826 authorized to sponsor a lab school ~~one or more lab schools~~.

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



829 (h) A lab school to which a charter has been issued under
 830 s. 1002.33(5)(a)2.~~(5)(b)~~ is eligible to receive funding for
 831 charter school capital outlay if it meets the eligibility
 832 requirements of s. 1013.62. If the lab school receives funds
 833 from charter school capital outlay, the school shall receive
 834 capital outlay funds otherwise provided in this subsection only
 835 to the extent that funds allocated pursuant to s. 1013.62 are
 836 insufficient to provide capital outlay funds to the lab school
 837 at one-fifteenth of the cost per student station.

838 Section 3. Section 1011.68, Florida Statutes, is amended
 839 to read:

840 1011.68 Funds for student transportation.--The annual
 841 allocation to each district for transportation to public school
 842 programs, including charter schools as provided in s.
 843 1002.33(17)~~(18)~~(b), of students in membership in kindergarten
 844 through grade 12 and in migrant and exceptional student programs
 845 below kindergarten shall be determined as follows:

846 (1) Subject to the rules of the State Board of Education,
 847 each district shall determine the membership of students who are
 848 transported:

849 (a) By reason of living 2 miles or more from school.

850 (b) By reason of being students with disabilities or
 851 enrolled in a teenage parent program, regardless of distance to
 852 school.

853 (c) By reason of being in a state prekindergarten program,
 854 regardless of distance from school.

855 (d) By reason of being career and technical, dual
 856 enrollment, or students with disabilities transported from one



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857 school center to another to participate in an instructional
858 program or service; or students with disabilities, transported
859 from one designation to another in the state, provided one
860 designation is a school center and provided the student's
861 individual educational plan (IEP) identifies the need for the
862 instructional program or service and transportation to be
863 provided by the school district. A "school center" is defined as
864 a public school center, community college, state university, or
865 other facility rented, leased, or owned and operated by the
866 school district or another public agency. A "dual enrollment
867 student" is defined as a public school student in membership in
868 both a public secondary school program and a community college
869 or a state university program under a written agreement to
870 partially fulfill ss. 1003.435 and 1007.23 and earning full-time
871 equivalent membership under s. 1011.62(1)(i).

872 (e) With respect to elementary school students whose grade
873 level does not exceed grade 6, by reason of being subjected to
874 hazardous walking conditions en route to or from school as
875 provided in s. 1006.23. Such rules shall, when appropriate,
876 provide for the determination of membership under this paragraph
877 for less than 1 year to accommodate the needs of students who
878 require transportation only until such hazardous conditions are
879 corrected.

880 (f) By reason of being a pregnant student or student
881 parent, and the child of a student parent as provided in s.
882 1003.54, regardless of distance from school.

883 (2) The allocation for each district shall be calculated
884 annually in accordance with the following formula:



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885
886 T = B + EX. The elements of this formula are defined as follows:
887 T is the total dollar allocation for transportation. B is the
888 base transportation dollar allocation prorated by an adjusted
889 student membership count. The adjusted membership count shall be
890 derived from a multiplicative index function in which the base
891 student membership is adjusted by multiplying it by index
892 numbers that individually account for the impact of the price
893 level index, average bus occupancy, and the extent of rural
894 population in the district. EX is the base transportation dollar
895 allocation for disabled students prorated by an adjusted
896 disabled student membership count. The base transportation
897 dollar allocation for disabled students is the total state base
898 disabled student membership count weighted for increased costs
899 associated with transporting disabled students and multiplying
900 it by the prior year's average per student cost for
901 transportation. The adjusted disabled student membership count
902 shall be derived from a multiplicative index function in which
903 the weighted base disabled student membership is adjusted by
904 multiplying it by index numbers that individually account for
905 the impact of the price level index, average bus occupancy, and
906 the extent of rural population in the district. Each adjustment
907 factor shall be designed to affect the base allocation by no
908 more or less than 10 percent.

909 (3) The total allocation to each district for
910 transportation of students shall be the sum of the amounts
911 determined in subsection (2). If the funds appropriated for the
912 purpose of implementing this section are not sufficient to pay



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913 the base transportation allocation and the base transportation
914 allocation for disabled students, the Department of Education
915 shall prorate the available funds on a percentage basis. If the
916 funds appropriated for the purpose of implementing this section
917 exceed the sum of the base transportation allocation and the
918 base transportation allocation for disabled students, the base
919 transportation allocation for disabled students shall be limited
920 to the amount calculated in subsection (2), and the remaining
921 balance shall be added to the base transportation allocation.

922 (4) No district shall use funds to purchase transportation
923 equipment and supplies at prices which exceed those determined
924 by the department to be the lowest which can be obtained, as
925 prescribed in s. 1006.27(1).

926 (5) Funds allocated or apportioned for the payment of
927 student transportation services may be used to pay for
928 transportation of students to and from school on local general
929 purpose transportation systems. Student transportation funds may
930 also be used to pay for transportation of students to and from
931 school in private passenger cars and boats when the
932 transportation is for isolated students, or students with
933 disabilities as defined by rule. Subject to the rules of the
934 State Board of Education, each school district shall determine
935 and report the number of assigned students using general purpose
936 transportation private passenger cars and boats. The allocation
937 per student must be equal to the allocation per student riding a
938 school bus.

939 (6) Notwithstanding other provisions of this section, in
940 no case shall any student or students be counted for



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941 transportation funding more than once per day. This provision
942 includes counting students for funding pursuant to trips in
943 school buses, passenger cars, or boats or general purpose
944 transportation.

945 (7) Any funds received by a school district under this
946 section that are not required to transport students may, at the
947 discretion of the district school board, be transferred to the
948 district's Florida Education Finance Program.

949 Section 4. Section 1013.62, Florida Statutes, is amended
950 to read:

951 1013.62 Charter schools capital outlay funding.--

952 (1) In each year in which funds are appropriated for
953 charter school capital outlay purposes, the Commissioner of
954 Education shall allocate the funds among eligible charter
955 schools. The commissioner shall allocate the funds based on
956 recommendations provided by the Charter School Accountability
957 and Funding Authority. To be eligible for a funding allocation,
958 a charter school must:

959 (a) Have been in operation for 3 or more years;

960 (b) Be an expansion or expanded feeder chain of a charter
961 school currently receiving charter school capital outlay funds;

962 or

963 (c) Have been accredited by the Commission on Schools of
964 the Southern Association of Colleges and Schools. ~~meet the~~
965 ~~provisions of subsection (6),~~

966

967 In addition, a charter school must have received final approval
968 from its sponsor pursuant to s. 1002.33 for operation during



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969 that fiscal year, and must serve students in facilities that are
970 not provided by the charter school's sponsor.

971 (2) Prior to the release of capital outlay funds to a
972 school district on behalf of the charter school, the Department
973 of Education shall ensure that the district school board and the
974 charter school governing board enter into a written agreement
975 that includes provisions for the reversion of any unencumbered
976 funds and all equipment and property purchased with public
977 education funds to the ownership of the district school board,
978 as provided for in subsection (3), in the event that the school
979 terminates operations. Any funds recovered by the state shall be
980 deposited in the General Revenue Fund. A charter school is not
981 eligible for a funding allocation if it was created by the
982 conversion of a public school and operates in facilities
983 provided by the charter school's sponsor for a nominal fee or at
984 no charge or if it is directly or indirectly operated by the
985 school district. ~~Unless otherwise provided in the General~~
986 ~~Appropriations Act, the funding allocation for each eligible~~
987 ~~charter school shall be determined by multiplying the school's~~
988 ~~projected student enrollment by one-fifteenth of the cost-per-~~
989 ~~student station specified in s. 1013.64(6)(b) for an elementary,~~
990 ~~middle, or high school, as appropriate. If the funds~~
991 ~~appropriated are not sufficient, the commissioner shall prorate~~
992 ~~the available funds among eligible charter schools. Funds shall~~
993 ~~be distributed on the basis of the capital outlay full-time~~
994 ~~equivalent membership by grade level, which shall be calculated~~
995 ~~by averaging the results of the second and third enrollment~~
996 ~~surveys.~~ The Department of Education shall distribute capital



997 outlay funds monthly, beginning in the first quarter of the
 998 fiscal year, based on one-twelfth of the amount the department
 999 reasonably expects the charter school to receive during that
 1000 fiscal year. The commissioner shall adjust subsequent
 1001 distributions as necessary to reflect each charter school's
 1002 actual student enrollment as reflected in the second and third
 1003 enrollment surveys. The commissioner shall establish the
 1004 intervals and procedures for determining the projected and
 1005 actual student enrollment of eligible charter schools.

1006 (3) Annually, the Charter School Accountability and
 1007 Funding Authority shall recommend an allocation for charter
 1008 schools capital outlay funding as required by this section. The
 1009 authority shall determine the priorities based on the charter
 1010 school's compliance with the guiding principles in s. 1002.33(2)
 1011 and an analysis of the charter school's previous years of
 1012 operation, including, but not limited to, the following
 1013 criteria:

1014 (a) The charter school's need for permanent construction
 1015 related to the size and mission of the school.

1016 (b) The financial stability of the charter school.

1017 (c) Parental satisfaction.

1018 (d) Improved student performance.

1019 (e) Accreditation by the Commission on Schools of the
 1020 Southern Association of Colleges and Schools.

1021 (f) Other appropriate accountability and performance data.

1022 ~~(4)(2)~~ A charter school's governing body may use charter
 1023 school capital outlay funds for any capital outlay purpose that



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1024 is directly related to the functioning of the charter school,
 1025 including the:

1026 (a) Purchase of real property.

1027 (b) Construction, renovation, repair, and maintenance of
 1028 school facilities.

1029 (c) Purchase, lease-purchase, or lease of permanent or
 1030 relocatable school facilities.

1031 (d) Purchase of vehicles to transport students to and from
 1032 the charter school.

1033 (5)~~(3)~~ When a charter school is nonrenewed or terminated,
 1034 any unencumbered funds and all equipment and property purchased
 1035 with district public funds shall revert to the ownership of the
 1036 district school board, as provided for in s. 1002.33(8)(e) and
 1037 (f). In the case of a charter lab school, any unencumbered funds
 1038 and all equipment and property purchased with university public
 1039 funds shall revert to the ownership of the state university that
 1040 issued the charter. The reversion of such equipment, property,
 1041 and furnishings shall focus on recoverable assets, but not on
 1042 intangible or irrecoverable costs such as rental or leasing
 1043 fees, normal maintenance, and limited renovations. The reversion
 1044 of all property secured with public funds is subject to the
 1045 complete satisfaction of all lawful liens or encumbrances. If
 1046 there are additional local issues such as the shared use of
 1047 facilities or partial ownership of facilities or property, these
 1048 issues shall be agreed to in the charter contract prior to the
 1049 expenditure of funds.



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1050 ~~(6)~~(4) The Commissioner of Education shall specify
1051 procedures for submitting and approving requests for funding
1052 under this section and procedures for documenting expenditures.

1053 ~~(7)~~(5) The annual legislative budget request of the
1054 Department of Education shall include a request for capital
1055 outlay funding for charter schools. The request shall be based
1056 on the projected number of students to be served in charter
1057 schools who meet the eligibility requirements of this section. A
1058 dedicated funding source, if identified in writing by the
1059 Commissioner of Education and submitted along with the annual
1060 charter school legislative budget request, may be considered an
1061 additional source of funding.

1062 ~~(8)~~(6) Unless authorized otherwise by the Legislature,
1063 allocation and proration of charter school capital outlay funds
1064 shall be made to eligible charter schools by the Commissioner of
1065 Education in an amount and in a manner as recommended by the
1066 Charter School Accountability and Funding Authority ~~authorized~~
1067 ~~by subsection (1)~~.

1068 Section 5. This act shall take effect September 1, 2003.