

By the Committee on Education; and Senator Webster

304-2205-03

1 A bill to be entitled
2 An act relating to charter schools; amending s.
3 1002.33, F.S.; providing guiding principles;
4 requiring an emphasis on reading; authorizing a
5 state university or community college to
6 sponsor a charter school; requiring certain
7 accountability measures; revising application
8 requirements; requiring fiscal projections in a
9 charter application; extending the time allowed
10 for the State Board of Education to act on an
11 appeal; requiring auditors to provide
12 notification of certain financial conditions;
13 providing additional requirements for a charter
14 school's annual report; eliminating limitations
15 on the number of charter schools per school
16 district; creating the Charter School
17 Accountability and Funding Authority and
18 providing purpose, composition, and duties;
19 eliminating a review panel; revising provisions
20 relating to the analysis of charter school
21 performance; amending s. 1002.32, F.S.;
22 correcting cross-references; providing duties
23 with respect to lab schools; amending s.
24 1013.62, F.S.; requiring the Charter School
25 Accountability and Funding Authority to
26 recommend allocations of capital outlay funds
27 to charter schools; eliminating a formula for
28 providing allocations; providing an effective
29 date.
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1 WHEREAS, in the 2002-2003 school year, Florida has 223
2 charter schools educating approximately 51,000 Florida
3 students, with a projected increase of 117 additional charter
4 schools in the next school year, and

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

7 WHEREAS, while charter schools are public schools,
8 their unique populations or small size mean that few of them
9 are eligible for inclusion in the state's accountability
10 system, with only 38 of the 173 charter schools receiving a
11 school performance grade in 2002, and

12 WHEREAS, the issue of charter school accountability is
13 of the utmost importance at this time of budget constraints
14 and heightened awareness of public ethics, NOW, THEREFORE,

15
16 Be It Enacted by the Legislature of the State of Florida:

17
18 Section 1. Subsections (2), (5), and (6), paragraph
19 (a) of subsection (7), and paragraph (a) of subsection (8) of
20 section 1002.33, Florida Statutes, are amended, paragraph (k)
21 of subsection (9) of that section is amended, present
22 paragraphs (l) and (m) of that subsection are redesignated as
23 paragraphs (m) and (n), respectively, and a new paragraph (l)
24 is added to that subsection, and subsections (13), (23), and
25 (24) of that section are amended, to read:

26 1002.33 Charter schools.--

27 (2) GUIDING PRINCIPLES;PURPOSE.--

28 (a) Charter schools in Florida shall be guided by the
29 following principles:

30 1. Meet high standards of student achievement while
31 providing parents flexibility to choose among diverse

1 educational opportunities within the state's public school
2 system.
3 2. Promote enhanced academic success and financial
4 efficiency by aligning responsibility with accountability.
5 3. Provide parents with sufficient information on
6 whether their child is reading at grade level and whether the
7 child gains at least a year's worth of learning for every year
8 spent in the charter school.
9 (b)(a) Charter schools shall fulfill the following
10 purposes:
11 1. Improve student learning and academic achievement.
12 2. Increase learning opportunities for all students,
13 with special emphasis on low-performing students and reading.
14 3. Create new professional opportunities for teachers,
15 including ownership of the learning program at the school
16 site.
17 4. Encourage the use of innovative learning methods.
18 5. Require the measurement of learning outcomes.
19 (c)(b) Charter schools may fulfill the following
20 purposes:
21 1. Create innovative measurement tools.
22 2. Provide rigorous competition within the public
23 school district to stimulate continual improvement in all
24 public schools.
25 3. Expand the capacity of the public school system.
26 (5) SPONSOR; DUTIES.--
27 (a) Sponsoring entities.--
28 1. A district school board may sponsor a charter
29 school in the county over which the district school board has
30 jurisdiction.
31

1 ~~2.(b)~~ A state university may grant a charter to a lab
2 school created under s. 1002.32 and shall be considered to be
3 the school's sponsor. Such school shall be considered a
4 charter lab school.

5 ~~(b)(c)~~ Sponsor duties.--

6 1. The sponsor shall monitor and review the charter
7 school in its progress toward the goals established in the
8 charter.

9 ~~2.(d)~~ The sponsor shall monitor the revenues and
10 expenditures of the charter school.

11 ~~3.(e)~~ The sponsor may approve a charter for a charter
12 school before the applicant has secured space, equipment, or
13 personnel, if the applicant indicates approval is necessary
14 for it to raise working capital.

15 ~~4.(f)~~ The sponsor's policies shall not apply to a
16 charter school.

17 ~~5.(g)~~ The ~~A~~ sponsor shall ensure that the charter is
18 innovative and consistent with the state education goals
19 established by s. 1000.03(5).

20 6. The sponsor shall ensure that the charter school
21 participates in the state's education accountability system
22 and shall use appropriate interventions and sanctions if a
23 charter school falls short of performance measures included in
24 the approved charter.

25
26 Community colleges may work with the school district in its
27 designated service area to develop charter schools that offer
28 secondary education. These charter schools must include an
29 option for students to receive an associate degree upon high
30 school graduation. District school boards shall cooperate with
31 and assist the community college on the charter application.

1 Community college applications for charter schools are not
2 subject to the time deadlines outlined in subsection (6) and
3 may be approved by the district school board at any time
4 during the year. Community colleges shall not report FTE for
5 any students who receive FTE funding through the Florida
6 Education Finance Program.

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

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

12 1. Demonstrates how the school will use the guiding
13 principles and meet the statutorily defined purpose of a
14 charter school.

15 2. Provides a detailed curriculum plan that
16 illustrates how students will be provided services to attain
17 the Sunshine State Standards.

18 3. Contains goals and objectives for improving student
19 learning and measuring that improvement. These goals and
20 objectives must indicate how much academic improvement
21 students are expected to show each year, how success will be
22 evaluated, and the specific results to be attained through
23 instruction.

24 4. Describes the reading curriculum and differentiated
25 strategies that will be used for students reading at grade
26 level or higher and a separate curriculum and strategies for
27 students who are reading below grade level. A sponsor shall
28 deny a charter if the school does not propose a reading
29 curriculum that is consistent with effective teaching
30 strategies that are grounded in scientifically based reading
31 research.

1 5. Contains an annual financial plan for each year
2 requested by the charter for operation of the school for up to
3 5 years. This plan must contain anticipated fund balances
4 based on revenue projections, a spending plan based on
5 projected revenues and expenses, and a description of controls
6 that will safeguard finances and projected enrollment trends.

7 **(b)**~~(a)~~ A district school board shall receive and
8 review all applications for a charter school. A district
9 school board shall receive and consider charter school
10 applications received on or before September 1 ~~October 1~~ of
11 each calendar year for charter schools to be opened at the
12 beginning of the school district's next school year, or to be
13 opened at a time agreed to by the applicant and the district
14 school board. A district school board may receive applications
15 later than this date if it chooses. A sponsor may not charge
16 an applicant for a charter any fee for the processing or
17 consideration of an application, and a sponsor may not base
18 its consideration or approval of an application upon the
19 promise of future payment of any kind.

20 1. In order to facilitate an accurate budget
21 projection process, a district school board shall be held
22 harmless for FTE students who are not included in the FTE
23 projection due to approval of charter school applications
24 after the FTE projection deadline. In a further effort to
25 facilitate an accurate budget projection, within 15 calendar
26 days after receipt of a charter school application, a district
27 school board or other sponsor shall report to the Department
28 of Education the name of the applicant entity, the proposed
29 charter school location, and its projected FTE.

30 2. In order to ensure fiscal responsibility, an
31 application for a charter school shall include a full

1 accounting of expected assets, a projection of expected
2 sources and amounts of income, including income derived from
3 projected student enrollments and from community support, and
4 an expense projection that includes full accounting of the
5 costs of operation, including start-up costs.

6 ~~3.2.~~ A district school board shall by a majority vote
7 approve or deny an application no later than 60 calendar days
8 after the application is received, unless the district school
9 board and the applicant mutually agree to temporarily postpone
10 the vote to a specific date, at which time the district school
11 board shall by a majority vote approve or deny the
12 application. If the district school board fails to act on the
13 application, an applicant may appeal to the State Board of
14 Education as provided in paragraph (c)~~(b)~~. If an application
15 is denied, the district school board shall, within 10 calendar
16 days, articulate in writing the specific reasons based upon
17 good cause supporting its denial of the charter application.

18 ~~4.3.~~ For budget projection purposes, the district
19 school board or other sponsor shall report to the Department
20 of Education the approval or denial of a charter application
21 within 10 calendar days after such approval or denial. In the
22 event of approval, the report to the Department of Education
23 shall include the final projected FTE for the approved charter
24 school.

25 ~~5.4.~~ Upon approval of a charter application, the
26 initial startup shall commence with the beginning of the
27 public school calendar for the district in which the charter
28 is granted unless the district school board allows a waiver of
29 this provision for good cause.

30 ~~(c)~~~~(b)~~ An applicant may appeal any denial of that
31 applicant's application or failure to act on an application to

1 the State Board of Education no later than 30 calendar days
2 after receipt of the district school board's decision or
3 failure to act and shall notify the district school board of
4 its appeal. Any response of the district school board shall
5 be submitted to the State Board of Education within 30
6 calendar days after notification of the appeal. Upon receipt
7 of notification from the State Board of Education that a
8 charter school applicant is filing an appeal, the Commissioner
9 of Education shall convene a meeting of the Charter School
10 Appeal Commission to study and make recommendations to the
11 State Board of Education regarding its pending decision about
12 the appeal. The commission shall forward its recommendation
13 to the state board no later than 7 calendar days prior to the
14 date on which the appeal is to be heard. The State Board of
15 Education shall by majority vote accept or reject the decision
16 of the district school board no later than 90 ~~60~~ calendar days
17 after an appeal is filed in accordance with State Board of
18 Education rule. The Charter School Appeal Commission may
19 reject an appeal submission for failure to comply with
20 procedural rules governing the appeals process. The rejection
21 shall describe the submission errors. The appellant may have
22 up to 15 calendar days from notice of rejection to resubmit an
23 appeal that meets requirements of State Board of Education
24 rule. An application for appeal submitted subsequent to such
25 rejection shall be considered timely if the original appeal
26 was filed within 30 calendar days after receipt of notice of
27 the specific reasons for the district school board's denial of
28 the charter application. The State Board of Education shall
29 remand the application to the district school board with its
30 written decision that the district school board approve or
31 deny the application. The district school board shall

1 implement the decision of the State Board of Education. The
2 decision of the State Board of Education is not subject to the
3 provisions of the Administrative Procedure Act, chapter 120.

4 (d)~~(c)~~ The district school board shall act upon the
5 decision of the State Board of Education within 30 calendar
6 days after it is received. The State Board of Education's
7 decision is a final action subject to judicial review.

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

13 2. The Charter School Appeal Commission may receive
14 copies of the appeal documents forwarded to the State Board of
15 Education, review the documents, gather other applicable
16 information regarding the appeal, and make a written
17 recommendation to the commissioner. The recommendation must
18 state whether the appeal should be upheld or denied and
19 include the reasons for the recommendation being offered. The
20 commissioner shall forward the recommendation to the State
21 Board of Education no later than 7 calendar days prior to the
22 date on which the appeal is to be heard. The state board must
23 consider the commission's recommendation in making its
24 decision, but is not bound by the recommendation. The
25 decision of the Charter School Appeal Commission is not
26 subject to the provisions of the Administrative Procedure Act,
27 chapter 120.

28 3. The commissioner shall appoint the members of the
29 Charter School Appeal Commission. Members shall serve without
30 compensation but may be reimbursed for travel and per diem
31 expenses in conjunction with their service. One-half of the

1 members must represent currently operating charter schools,
2 and one-half of the members must represent school districts.
3 The commissioner or a named designee shall chair the Charter
4 School Appeal Commission.

5 4. The chair shall convene meetings of the commission
6 and shall ensure that the written recommendations are
7 completed and forwarded in a timely manner. In cases where
8 the commission cannot reach a decision, the chair shall make
9 the written recommendation with justification, noting that the
10 decision was rendered by the chair.

11 5. Commission members shall thoroughly review the
12 materials presented to them from the appellant and the
13 sponsor. The commission may request information to clarify
14 the documentation presented to it. In the course of its
15 review, the commission may facilitate the postponement of an
16 appeal in those cases where additional time and communication
17 may negate the need for a formal appeal and both parties
18 agree, in writing, to postpone the appeal to the State Board
19 of Education. A new date certain for the appeal shall then be
20 set based upon the rules and procedures of the State Board of
21 Education. Commission members shall provide a written
22 recommendation to the state board as to whether the appeal
23 should be upheld or denied. A fact-based justification for
24 the recommendation must be included. The chair must ensure
25 that the written recommendation is submitted to the State
26 Board of Education members no later than 7 calendar days prior
27 to the date on which the appeal is to be heard. Both parties
28 in the case shall also be provided a copy of the
29 recommendation.

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

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

6 (h)~~(g)~~ The terms and conditions for the operation of a
7 charter school shall be set forth by the sponsor and the
8 applicant in a written contractual agreement, called a
9 charter. The sponsor shall not impose unreasonable rules or
10 regulations that violate the intent of giving charter schools
11 greater flexibility to meet educational goals. The applicant
12 and sponsor shall have 6 months in which to mutually agree to
13 the provisions of the charter. The Department of Education
14 shall provide mediation services for any dispute regarding
15 this section subsequent to the approval of a charter
16 application and for any dispute relating to the approved
17 charter, except disputes regarding charter school application
18 denials. If the Commissioner of Education determines that the
19 dispute cannot be settled through mediation, the dispute may
20 be appealed to an administrative law judge appointed by the
21 Division of Administrative Hearings. The administrative law
22 judge may rule on issues of equitable treatment of the charter
23 school as a public school, whether proposed provisions of the
24 charter violate the intended flexibility granted charter
25 schools by statute, or on any other matter regarding this
26 section except a charter school application denial, and shall
27 award the prevailing party reasonable attorney's fees and
28 costs incurred to be paid by the losing party. The costs of
29 the administrative hearing shall be paid by the party whom the
30 administrative law judge rules against.

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1 (7) CHARTER.--The major issues involving the operation
2 of a charter school shall be considered in advance and written
3 into the charter. The charter shall be signed by the governing
4 body of the charter school and the sponsor, following a public
5 hearing to ensure community input.

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

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

10 2. The focus of the curriculum, the instructional
11 methods to be used, any distinctive instructional techniques
12 to be employed, and identification and acquisition of
13 appropriate technologies needed to improve educational and
14 administrative performance which include a means for promoting
15 safe, ethical, and appropriate uses of technology which comply
16 with legal and professional standards. The charter shall
17 ensure that reading is a primary focus of the curriculum and
18 that resources are provided to identify and provide
19 specialized instruction for students who are reading below
20 grade level. The curriculum and instructional strategies for
21 reading must be consistent with the Sunshine State Standards
22 and grounded in scientifically based reading research.

23 3. The current incoming baseline standard of student
24 academic achievement, the outcomes to be achieved, and the
25 method of measurement that will be used. The criteria listed
26 in this subparagraph shall include a detailed description for
27 each of the following:

28 a. How the baseline student academic achievement
29 levels and prior rates of academic progress will be
30 established.

31

1 b. How these baseline rates will be compared to rates
2 of academic progress achieved by these same students while
3 attending the charter school.

4 c. To the extent possible, how these rates of progress
5 will be evaluated and compared with rates of progress of other
6 closely comparable student populations.

7
8 The district school board is required to provide academic
9 student performance data to charter schools for each of their
10 students coming from the district school system, as well as
11 rates of academic progress of comparable student populations
12 in the district school system.

13 4. The methods used to identify the educational
14 strengths and needs of students and how well educational goals
15 and performance standards are met by students attending the
16 charter school. Included in the methods is a means for the
17 charter school to ensure accountability to its constituents by
18 analyzing student performance data and by evaluating the
19 effectiveness and efficiency of its major educational
20 programs. Students in charter schools shall, at a minimum,
21 participate in the statewide assessment program created under
22 s. 1008.22.

23 5. In secondary charter schools, a method for
24 determining that a student has satisfied the requirements for
25 graduation in s. 1003.43.

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

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

30 8. The ways by which the school will achieve a
31 racial/ethnic balance reflective of the community it serves or

1 within the racial/ethnic range of other public schools in the
2 same school district.

3 9. The financial and administrative management of the
4 school, including a reasonable demonstration of the
5 professional experience or competence of those individuals or
6 organizations applying to operate the charter school or those
7 hired or retained to perform such professional services and
8 the description of clearly delineated responsibilities and the
9 policies and practices needed to effectively manage the
10 charter school. A description of internal audit procedures and
11 establishment of controls to ensure that financial resources
12 are properly managed must be included. Both public sector and
13 private sector professional experience shall be equally valid
14 in such a consideration.

15 10. The asset and liability projections required in
16 the application which are incorporated into the charter and
17 shall be compared with information provided in the annual
18 report of the charter school. The charter shall ensure that,
19 if a charter school internal audit reveals a deficit financial
20 position, the auditors are required to notify the charter
21 school governing board, the sponsor, and the Department of
22 Education.

23 ~~11.10.~~ A description of procedures that identify
24 various risks and provide for a comprehensive approach to
25 reduce the impact of losses; plans to ensure the safety and
26 security of students and staff; plans to identify, minimize,
27 and protect others from violent or disruptive student
28 behavior; and the manner in which the school will be insured,
29 including whether or not the school will be required to have
30 liability insurance, and, if so, the terms and conditions
31 thereof and the amounts of coverage.

1 ~~12.11.~~ The term of the charter which shall provide for
2 cancellation of the charter if insufficient progress has been
3 made in attaining the student achievement objectives of the
4 charter and if it is not likely that such objectives can be
5 achieved before expiration of the charter. The initial term of
6 a charter shall be for 3, 4, or 5 years. In order to
7 facilitate access to long-term financial resources for charter
8 school construction, charter schools that are operated by a
9 municipality or other public entity as provided by law are
10 eligible for up to a 15-year charter, subject to approval by
11 the district school board. A charter lab school is eligible
12 for a charter for a term of up to 15 years. In addition, to
13 facilitate access to long-term financial resources for charter
14 school construction, charter schools that are operated by a
15 private, not-for-profit, s. 501(c)(3) status corporation are
16 eligible for up to a 10-year charter, subject to approval by
17 the district school board. Such long-term charters remain
18 subject to annual review and may be terminated during the term
19 of the charter, but only for specific good cause according to
20 the provisions set forth in subsection (8).

21 ~~13.12.~~ The facilities to be used and their location.

22 ~~14.13.~~ The qualifications to be required of the
23 teachers and the potential strategies used to recruit, hire,
24 train, and retain qualified staff to achieve best value.

25 ~~15.14.~~ The governance structure of the school,
26 including the status of the charter school as a public or
27 private employer as required in paragraph (12)(i).

28 ~~16.15.~~ A timetable for implementing the charter which
29 addresses the implementation of each element thereof and the
30 date by which the charter shall be awarded in order to meet
31 this timetable.

1 ~~17.16.~~ In the case of an existing public school being
2 converted to charter status, alternative arrangements for
3 current students who choose not to attend the charter school
4 and for current teachers who choose not to teach in the
5 charter school after conversion in accordance with the
6 existing collective bargaining agreement or district school
7 board rule in the absence of a collective bargaining
8 agreement. However, alternative arrangements shall not be
9 required for current teachers who choose not to teach in a
10 charter lab school, except as authorized by the employment
11 policies of the state university which grants the charter to
12 the lab school.

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

14 (a) At the end of the term of a charter, the sponsor
15 may choose not to renew the charter for any of the following
16 grounds:

17 1. Failure to participate in the state's education
18 accountability system created in s. 1008.31, as required in
19 this section, or failure to meet the requirements for student
20 performance stated in the charter.

21 2. Failure to meet generally accepted standards of
22 fiscal management.

23 3. Violation of law.

24 4. Other good cause shown.

25 (9) CHARTER SCHOOL REQUIREMENTS.--

26 (k) The governing body of the charter school shall
27 exercise continuing oversight over charter school operations.
28 ~~and make annual progress reports to its sponsor, which upon~~
29 ~~verification shall be forwarded to the Commissioner of~~
30 ~~Education at the same time as other annual school~~

31

1 ~~accountability reports. The report shall contain at least the~~
2 ~~following information:~~

3 ~~1. The charter school's progress toward achieving the~~
4 ~~goals outlined in its charter.~~

5 ~~2. The information required in the annual school~~
6 ~~report pursuant to s. 1008.345.~~

7 ~~3. Financial records of the charter school, including~~
8 ~~revenues and expenditures.~~

9 ~~4. Salary and benefit levels of charter school~~
10 ~~employees.~~

11 (1) The governing body of the charter school shall
12 report its progress annually to its sponsor, which shall
13 verify and forward the report to the Commission of Education
14 at the same time as other annual school accountability
15 reports. The Department of Education shall consult with the
16 Charter School Accountability and Funding Authority to provide
17 suggested guidelines and a format or template for the annual
18 report. The department shall include in its compilation a
19 notation that the school failed to file its report by the
20 established deadline. The guidelines shall include at least
21 the following components:

22 1. Student achievement performance data, including the
23 information required for the annual school report and the
24 education accountability system governed by ss. 1008.31 and
25 1008.345. Charter schools are subject to the same
26 accountability requirements as other public schools, including
27 reports of student achievement information that links baseline
28 student data to the school's performance projections
29 identified in the charter. The charter school shall identify
30 reasons for any difference between projected and actual
31 student performance.

1 2. Financial status of the charter school, according
2 to guidelines recommended by the Charter School Accountability
3 and Funding Authority and provided by the Department of
4 Education. The guidelines must include revenues and
5 expenditures at a level of detail which allows for analysis of
6 the ability to meet financial obligations and timely repayment
7 of debt.

8 3. Documentation of the facilities in current use and
9 any planned facilities for use by the charter school for
10 instruction of students, administrative functions, or
11 investment purposes.

12 4. Descriptive information about the charter school's
13 personnel, including salary and benefit levels of charter
14 school employees and the proportion of instructional personnel
15 who hold professional or temporary certificates.

16 ~~(13) NUMBER OF SCHOOLS.==~~

17 ~~(a) The number of newly created charter schools is~~
18 ~~limited to no more than 28 in each school district that has~~
19 ~~100,000 or more students, no more than 20 in each school~~
20 ~~district that has 50,000 to 99,999 students, and no more than~~
21 ~~12 in each school district with fewer than 50,000 students.~~

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

25 ~~(c) Notwithstanding any limit established by this~~
26 ~~subsection, a district school board or a charter school~~
27 ~~applicant shall have the right to request an increase of the~~
28 ~~limit on the number of charter schools authorized to be~~
29 ~~established within the district from the State Board of~~
30 ~~Education.~~

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1 ~~(d) Whenever a municipality has submitted charter~~
2 ~~applications for the establishment of a charter school feeder~~
3 ~~pattern (elementary, middle, and senior high schools), and~~
4 ~~upon approval of each individual charter application by the~~
5 ~~district school board, such applications shall then be~~
6 ~~designated as one charter school for all purposes listed~~
7 ~~pursuant to this section.~~

8 (23) CHARTER SCHOOL ACCOUNTABILITY AND FUNDING
9 AUTHORITY; REVIEW PANEL AND LEGISLATIVE REVIEW.--

10 (a) The Department of Education shall regularly
11 convene a Charter School Accountability and Funding Authority
12 ~~Review Panel~~ in order to evaluate performance accountability
13 of charter schools and oversee funding as required by s.
14 1013.62 review issues, practices, and policies regarding
15 charter schools.

16 1. The composition of the authority review panel shall
17 include individuals with experience in finance,
18 administration, law, education, and school governance, and
19 individuals familiar with charter school construction and
20 operation. No current charter school operator or sponsor shall
21 be a member of the authority. The panel shall include two
22 appointees each from the Commissioner of Education, the
23 President of the Senate, and the Speaker of the House of
24 Representatives. The Governor shall appoint three members of
25 the authority panel and shall annually designate the chair.
26 The members of the authority shall serve 3-year staggered
27 terms and shall be eligible for reappointment. ~~Each member of~~
28 ~~the panel shall serve a 1-year term, unless renewed by the~~
29 ~~office making the appointment.~~

30 2. The Charter School Accountability and Funding
31 Authority panel shall make recommendations to the Legislature,

1 to the State Board ~~Department~~ of Education, to charter
2 schools, and to school districts on for improving charter
3 school operations, ~~and oversight~~ and for ensuring best
4 business practices ~~at~~ and fair business relationships, and
5 distributing facilities funding with charter schools.

6 3. Annually, the Charter School Accountability and
7 Funding Authority shall recommend an allocation for charter
8 schools capital outlay funding as required by this section.
9 The authority shall determine the priorities based on an
10 analysis of the charter school's previous years of operation,
11 including, but not limited to, the following criteria:

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

14 b. The financial stability of the charter school.

15 c. Parental satisfaction.

16 d. Improved student performance.

17 e. Other appropriate accountability and performance
18 data.

19 (b) The Legislature shall review the operation of
20 charter schools during the 2005 Regular Session of the
21 Legislature.

22 (24) ANALYSIS OF CHARTER SCHOOL PERFORMANCE.--Upon
23 receipt of the annual report required by paragraph (9)(1)
24 ~~(9)(k)~~, the Department of Education shall provide to the State
25 Board of Education, the Governor, the Commissioner of
26 Education, the President of the Senate, ~~and~~ the Speaker of the
27 House of Representatives, and the Charter School
28 Accountability and Funding Authority an analysis and
29 comparison of the overall performance of charter school
30 students, to include all students whose scores are counted as
31 part of the statewide assessment program, versus comparable

1 public school students in the district as determined by the
2 statewide assessment program currently administered in the
3 school district, and other assessments administered pursuant
4 to s. 1008.22(3). If a charter school is required to prepare a
5 performance improvement plan, the Department of Education
6 shall immediately report that charter school to the Charter
7 School Accountability and Funding Authority.

8 Section 2. Subsection (2) and paragraphs (c) and (h)
9 of subsection (9) of section 1002.32, Florida Statutes, are
10 amended to read:

11 1002.32 Developmental research (laboratory) schools.--

12 (2) ESTABLISHMENT.--There is established a category of
13 public schools to be known as developmental research
14 (laboratory) schools (lab schools). Each lab school shall
15 provide sequential instruction and shall be affiliated with
16 the college of education within the state university of
17 closest geographic proximity. A lab school to which a charter
18 has been issued under s. 1002.33(5)(a)2.~~s. 1002.33(5)(b)~~ must
19 be affiliated with the college of education within the state
20 university that issued the charter, but is not subject to the
21 requirement that the state university be of closest geographic
22 proximity. For the purpose of state funding, Florida
23 Agricultural and Mechanical University, Florida Atlantic
24 University, Florida State University, the University of
25 Florida, and other universities approved by the State Board of
26 Education and the Legislature are authorized to sponsor a lab
27 school ~~one or more lab schools.~~

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

30 (c) All operating funds provided under this section
31 shall be deposited in a Lab School Trust Fund and shall be

1 expended for the purposes of this section. The university
2 assigned a lab school shall be the fiscal agent for these
3 funds, and all rules of the university governing the budgeting
4 and expenditure of state funds shall apply to these funds
5 unless otherwise provided by law or rule of the State Board of
6 Education. The university board of trustees shall be the
7 public employer of lab school personnel for collective
8 bargaining purposes unless a charter has been granted pursuant
9 to s. 1002.33(5)(a)2. Once a university grants a charter to a
10 lab school, the university shall monitor the revenues and
11 expenditures of the charter lab school as its sponsor in
12 accordance with s. 1002.33(5)(b)2. rather than the charter lab
13 school's fiscal agent. Employees of the charter lab school
14 shall be deemed employees of the entity holding the charter
15 and must comply with the provisions of s. 1002.33(12). Any
16 operating and capital outlay funds available for a charter lab
17 school shall be distributed directly to the entity holding the
18 charter.

19 (h) A lab school to which a charter has been issued
20 under s. 1002(5)(a)2.~~s. 1002.33(5)(b)~~ is eligible to receive
21 funding for charter school capital outlay if it meets the
22 eligibility requirements of s. 1013.62. If the lab school
23 receives funds from charter school capital outlay, the school
24 shall receive capital outlay funds otherwise provided in this
25 subsection only to the extent that funds allocated pursuant to
26 s. 1013.62 are insufficient to provide capital outlay funds to
27 the lab school at one-fifteenth of the cost per student
28 station.

29 Section 3. Section 1013.62, Florida Statutes, is
30 amended to read:

31 1013.62 Charter schools capital outlay funding.--

1 (1) In each year in which funds are appropriated for
2 charter school capital outlay purposes, the Commissioner of
3 Education shall allocate the funds among eligible charter
4 schools. The commissioner shall allocate the funds based on
5 recommendations provided by the Charter School Accountability
6 and Funding Authority.To be eligible for a funding
7 allocation, a charter school must:

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

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

12 (c) Have been accredited by the Commission on Schools
13 of the Southern Association of Colleges and Schools.

14
15 In addition charter schools ~~meet the provisions of subsection~~
16 ~~(6)~~, must have received final approval from its sponsor
17 pursuant to s. 1002.33 for operation during that fiscal year,
18 and must serve students in facilities that are not provided by
19 the charter school's sponsor.

20 (2) Prior to the release of capital outlay funds to a
21 school district on behalf of the charter school, the
22 Department of Education shall ensure that the district school
23 board and the charter school governing board enter into a
24 written agreement that includes provisions for the reversion
25 of any unencumbered funds and all equipment and property
26 purchased with public education funds to the ownership of the
27 district school board, as provided for in subsection (3), in
28 the event that the school terminates operations. Any funds
29 recovered by the state shall be deposited in the General
30 Revenue Fund. A charter school is not eligible for a funding
31 allocation if it was created by the conversion of a public

1 school and operates in facilities provided by the charter
2 school's sponsor for a nominal fee or at no charge or if it is
3 directly or indirectly operated by the school district. ~~Unless~~
4 ~~otherwise provided in the General Appropriations Act, the~~
5 ~~funding allocation for each eligible charter school shall be~~
6 ~~determined by multiplying the school's projected student~~
7 ~~enrollment by one-fifteenth of the cost-per-student station~~
8 ~~specified in s. 1013.64(6)(b) for an elementary, middle, or~~
9 ~~high school, as appropriate. If the funds appropriated are not~~
10 ~~sufficient, the commissioner shall prorate the available funds~~
11 ~~among eligible charter schools. Funds shall be distributed on~~
12 ~~the basis of the capital outlay full-time equivalent~~
13 ~~membership by grade level, which shall be calculated by~~
14 ~~averaging the results of the second and third enrollment~~
15 ~~surveys.~~ The Department of Education shall distribute capital
16 outlay funds monthly, beginning in the first quarter of the
17 fiscal year, based on one-twelfth of the amount the department
18 reasonably expects the charter school to receive during that
19 fiscal year. The commissioner shall adjust subsequent
20 distributions as necessary to reflect each charter school's
21 actual student enrollment as reflected in the second and third
22 enrollment surveys. The commissioner shall establish the
23 intervals and procedures for determining the projected and
24 actual student enrollment of eligible charter schools.

25 (3) Annually, the Charter School Accountability and
26 Funding Authority shall recommend an allocation for charter
27 schools capital outlay funding as required by this section.
28 The authority shall determine the priorities based on an
29 analysis of the charter school's previous years of operation
30 including, but not limited to, the following criteria:

31

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

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

4 (c) Parental satisfaction.

5 (d) Improved student performance.

6 (e) Other appropriate accountability and performance
7 data.

8 ~~(4)(2)~~ A charter school's governing body may use
9 charter school capital outlay funds for any capital outlay
10 purpose that is directly related to the functioning of the
11 charter school, including the:

12 (a) Purchase of real property.

13 (b) Construction, renovation, repair, and maintenance
14 of school facilities.

15 (c) Purchase, lease-purchase, or lease of permanent or
16 relocatable school facilities.

17 (d) Purchase of vehicles to transport students to and
18 from the charter school.

19 ~~(5)(3)~~ When a charter school is nonrenewed or
20 terminated, any unencumbered funds and all equipment and
21 property purchased with district public funds shall revert to
22 the ownership of the district school board, as provided for in
23 s. 1002.33(8)(e) and (f). In the case of a charter lab school,
24 any unencumbered funds and all equipment and property
25 purchased with university public funds shall revert to the
26 ownership of the state university that issued the charter. The
27 reversion of such equipment, property, and furnishings shall
28 focus on recoverable assets, but not on intangible or
29 irrecoverable costs such as rental or leasing fees, normal
30 maintenance, and limited renovations. The reversion of all
31 property secured with public funds is subject to the complete

1 satisfaction of all lawful liens or encumbrances. If there are
2 additional local issues such as the shared use of facilities
3 or partial ownership of facilities or property, these issues
4 shall be agreed to in the charter contract prior to the
5 expenditure of funds.

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

10 (7)~~(5)~~ The annual legislative budget request of the
11 Department of Education shall include a request for capital
12 outlay funding for charter schools. The request shall be based
13 on the projected number of students to be served in charter
14 schools who meet the eligibility requirements of this section.
15 A dedicated funding source, if identified in writing by the
16 Commissioner of Education and submitted along with the annual
17 charter school legislative budget request, may be considered
18 an additional source of funding.

19 (8)~~(6)~~ Unless authorized otherwise by the Legislature,
20 allocation and proration of charter school capital outlay
21 funds shall be made to eligible charter schools by the
22 Commissioner of Education in an amount and in a manner as
23 recommended by the Charter School Accountability and Funding
24 Authority ~~authorized by subsection (1)~~.

25 Section 4. This act shall take effect September 1,
26 2003.

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31

1 STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN
2 COMMITTEE SUBSTITUTE FOR
3 Senate Bill 2242

4 The Committee Substitute changed the following provisions:

5 Language authorizing community colleges to sponsor charter
6 schools is removed. New language allowing a college to work
7 with a district to develop a charter school is included.
8 Students reported for FTE funding through the FEFP may not be
9 reported for FTE by the college. Application deadlines are
10 waived for such schools and the district may consider such a
11 request at any time.

12 Language permitting universities to sponsor a charter school
13 in partnership with an independent postsecondary educational
14 institution is removed. New language restricting universities
15 to one lab school is added. Clarifying language is included
16 that the university is the sponsor of a charter lab school.
17 The entity holding the charter is the fiscal agent and is to
18 receive all funds available for the charter lab school.
19 Employees of a charter lab school are considered as employees
20 of the entity holding the charter.

21 A new deadline of September 1, instead of October 1, is
22 established for all charter school applications except those
23 developed with community colleges.

24 New criteria are added for a charter school to be eligible to
25 receive capital outlay funding. Unless directed otherwise by
26 the Legislature, the Commissioner of Education is to
27 distribute any capital outlay funds for charter schools as
28 recommended by the Charter School Accountability and Funding
29 Authority.
30
31