

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 1913 (PCB EDK 04-05a) Charter Schools
SPONSOR(S): Education K-20
TIED BILLS: **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) Education K-20	20 Y, 4 N	Ashworth	Bohannon
2) _____	_____	_____	_____
3) _____	_____	_____	_____
4) _____	_____	_____	_____
5) _____	_____	_____	_____

SUMMARY ANALYSIS

HB 1913 revises the following provisions for charter schools.

Facilities -- The bill requires charter school facilities to comply with:

- Florida Building Code, except for SREF(although a charter school *may* comply with SREF)
- Florida Fire Prevention Code

The local governing authority:

- May not impose local building requirements more stringent than the ones in the Florida Building Code.
- Has jurisdiction for inspection of the facility and issuance of a certificate of occupancy.

The bill provides that charter schools are exempt from fees for building licenses. The bill provides that charter schools may be for the purpose of mitigating the educational impact created by the development of new residential dwelling units. If built for this purpose, educational impact fees charged to developers may instead be designated for construction of the charter school facilities. However, such facilities are required to be built to SREF standards, be owned by a public or non-profit entity, and revert to the school district if the facilities cease to be used for public educational purposes. The bill provides that capital outlay funds that are unencumbered must revert to DOE to be redistributed among eligible charter schools.

Services -- The bill adds the following services to those the sponsor must provide to charter schools:

- Payment of the costs of state or district required tests
- Equal access to all student management systems that are used by public schools in the district.

The bill prohibits school districts from charging fees or surcharges beyond the 5 percent administrative fee currently authorized in the law. However, the charter school and sponsor may have a separate negotiated contract from the charter for goods and services if there is mutual agreement to do so.

The bill requires the DOE to conduct a transportation study of charter schools.

Disputes -- The bill provides that appeals may be made under the following circumstances:

- If charter applications have been denied
- If charter contracts have been terminated
- If mediation fails to resolve disputes over charter contract negotiations.
- If mediation fails to resolve disputes over contracted services not included in the charter..

This document does not reflect the intent or official position of the bill sponsor or House of Representatives.

STORAGE NAME: h1913.edk.doc
DATE: April 12, 2004

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. DOES THE BILL:

- | | | | |
|--------------------------------------|---|-----------------------------|---|
| 1. Reduce government? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 2. Lower taxes? | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/> |
| 3. Expand individual freedom? | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/> |
| 4. Increase personal responsibility? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 5. Empower families? | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/> |

For any principle that received a “no” above, please explain:

B. EFFECT OF PROPOSED CHANGES:

Section 1002.33, F.S., authorizes charter schools. Charter schools are public schools operated pursuant to a performance contract (or charter) that frees them from many of the statutes and rules that govern traditional public schools, but which holds the school accountable for academic and financial results. Section 1002.33(1), F.S., provides that a charter school may be formed by creating a new school or by converting an existing public school to charter status.

Purpose of Charter Schools

Background – Currently, the statutory purpose of charter schools is to:

- Create innovative measurement tools
- Provide rigorous competition within the public school district to stimulate continual improvement in all public schools
- Expand the capacity of the public school system.

Bill Provisions – The bill adds a new statutory purpose: to mitigate the educational impact created by the development of new residential dwelling units.

Application and Sponsors

Background -- Currently, pursuant to s. 1002.33(3), F.S., an application for a new charter school may be made by an individual, teachers, parents, a group of individuals, a municipality, or a legal entity organized under the laws of this state. Alternatively, a public school that has been in operation for at least two years may convert to a charter school pursuant to an application by the district school board, the principal, teachers, parents, and/or the school advisory council. Under current law, there is no provision to facilitate the conversion of a group of public schools other than through the individual application process.

The sponsor of a charter school is usually the district school board. Subsection 1002.33(5), F.S., provides that a public community college may, in cooperation with the school board or boards within its service area, develop charter schools that offer secondary education and allow students to obtain an associate’s degree upon graduation from high school. Also, a state university may grant a charter to a lab school in which case the university is considered to be the charter lab school’s sponsor.

An applicant for a charter school may appeal to the Charter School Appeal Commission if the charter has been denied or their charter contract has not been renewed.

Bill Provisions – The bill expands the reasons for appeals during the application process and review to include:

- Denial of charter application
- Termination of charter contract
- Failure of mediation to resolve disputes over contract negotiations.

Nonrenewal or Termination of Charter

Background – Currently, when a charter is not renewed or is terminated, any unencumbered funds from the charter school revert to the district school board. Also, any property, improvements, furnishings, and equipment purchased with public funds reverts to the district school board.

Bill Provisions – The bill requires the capital outlay funds that are unencumbered to revert to the Department of Education to be redistributed among eligible charter schools.

Funding of Charter School Student Enrollments

Currently, students enrolled in a charter school are funded in the same way as all other public school students in the school district. Each charter school must report its student enrollment to the school district and the school district must include each charter school's student enrollment in its report of student enrollment that is submitted to the state in October and February of each school year.

Municipal Charter Schools

Background – The cities of Pembroke Pines and Coral Springs established municipal charter schools. Both cities' approved charter applications established "feeder patterns" for their schools to establish a cohesive educational system and enable charter school students to move through each level of school without reapplication. The schools share administration and operate under one common governing board. Before the School Code Rewrite, the unique nature of the municipal feeder school pattern was recognized in the School Code. Reference to the municipal feeder school pattern was deleted during the School Code Rewrite.

Bill Provisions – The bill reinserts the language recognizing that a municipal feeder school pattern is designated as one charter schools. This is the same language that was deleted during the School Code Rewrite.

Facilities

Background -- Currently, charter school facilities must comply with:

- State Uniform Building Code for Public Educational Facilities Construction adopted by the Florida Building Commission within the Florida Building Code¹ or applicable state minimum building codes in the Florida Building Code²

¹ Section 1013.37, Florida Statutes, requires the Florida Building Commission to adopt a uniform statewide building code for educational facilities within the Florida Building Code. Subsection (4) requires the DOE to publish and make available to each district school board copies of the *state requirements for educational facilities*. Subsection (5), pursuant to s. 11(a) (21), Art. III of the State Constitution, enactment of any general law of local application which proposes to amend, alter, or contravene any provisions of the State Building Code adopted under the authority of the section.

² Chapter 553, Florida Statutes, is known as the "Florida Building Codes Act." Subsection (6) requires public school districts to enforce building code compliance for their building projects, but does not limit the authority of the local government or code enforcement district to ensure that facilities comply with the Florida Building Code or to limit the authority of the fire official to conduct firesafety inspections.

- State minimum fire protection codes, which are the Florida Fire Prevention Code and the Life Safety Code adopted by the State Fire Marshal³
- Florida Building Code²
- Florida Fire Prevention Code⁴

Charter school facilities are exempt from the following fees:

- Assessments of fees for building permits, except for those that are for the enforcement of the Florida Building Code.⁵
- Assessments of impact fees or service availability fees.

Bill Provisions -- The bill requires charter school facilities to comply with:

- Florida Building Code,² except for *State Requirements for Educational Facilities*.¹ However charter schools may choose to comply with the SREF.
- Florida Fire Prevention Code³

The local governing authority:

- May not impose local building requirements more stringent than the ones in the Florida Building Code.
- Has jurisdiction for inspection of the facility and issuance of a certificate of occupancy.

The bill provides that charter schools are exempt from fees for building licenses. Additionally, the BILL provides that if charter school facilities are specifically created to mitigate the educational impact created by a new residential development, any required educational impact fees may instead be designated for the charter school facilities to mitigate the student station impact. The facilities must be built to SREF standards and be owned by a public or non-profit entity. If the facilities cease to be used for public educational purposes, the entire facility reverts to the school district. The party paying the educational impact fees and the local zoning authority levying the fees must enter into an agreement that designates the fees for the charter school and ensures the timely and concurrent construction of the charter school student stations.

Services

Background – A school district provides the following administrative and educational services to charter schools:

- Contract management services
- Full-time equivalent and data reporting services
- Exceptional student education administration services
- Test administration services
- Processing of teacher certificate data services
- Information services

Administrative fees for the above services that may be charged by the district to a charter school are 5% of the available per student FEFP funds. However, there is a cap on administrative fees that the district may charge; for schools with 501 students and above, the calculation is made only on 500. Any charter school with an enrollment of 501 or more calculates the 5% for those students over 500, but

³ Section 633.025, Florida Statutes, requires each municipality, county, and special district with firesafety responsibility to enforce the Florida Fire Prevention Code and Life Safety Code as the minimum firesafety code; however, the local authority may adopt more stringent firesafety standards.

⁴ Chapter 633, Florida Statutes.

⁵ Section 553.80(1), Florida Statutes, authorizes local governments to provide a schedule of fees to be used for carrying out the local government's responsibilities in enforcing the Florida Building Code. Subsection (6) states that such fees on facilities of public school districts shall not be more than the actual labor and administrative costs incurred for plans review and inspections to ensure compliance with the Florida Building Code.

retains the calculated amount to be used only for capital outlay purposes. Goods and services provided by the school district to the charter school through the contract must be provided for no more than the actual cost.

Transportation of charter school students must be provided by the charter school consistent with the requirements for transportation of all public K-12 students.⁶ The charter school may provide the transportation services through a contractual arrangement or an agreement with the district school board, a private provider, or parents.

Bill Provisions – The bill adds the following services to those the sponsor must provide to charter schools:

- Payment of the costs of state or district required tests
- Equal access to all student management systems that are used by public schools in the district.

The bill prohibits school districts (as sponsors of charter schools) from charging surcharges or additional fees beyond the 5% administrative fee for administrative and educational services. The charter school and the district school board mutually agree, they may enter into a separately negotiated contract from the charter contract for goods and services. If there is a dispute over contracted services or contractual matters not included in the charter, and if mediation has failed to resolve such disputes, an appeal may be made for a dispute resolution hearing before the Charter School Appeal Commission.

The bill requires the Department of Education to conduct a transportation study as it relates to charter schools including

- FTE and data reporting services with respect to transportation
- Impact that transporting charter students has on a school district's average bus occupancy
- Feasibility of calculating average bus occupancy for charter schools and school districts
- Additional costs of transporting students who choose not to attend conversion charter schools.

The results of the study are due November 1, 2004

Lab Schools

Background – The 2003 Legislature limited the ability for universities to sponsor more than one lab school per university. Three existing charter lab schools authorized prior to June 1, 2003 were specifically exempted from the limitation. The legislation mistakenly identified the Florida State University Charter Lab school in Broward County as an elementary school. The actual charter is for a K-12 school rather than an elementary.

Currently, the funding for the lab school in Broward County is funded as if the school were located in Leon County, the location of Florida State University.

Bill Provisions – The bill corrects the name of the charter lab school in Pembroke Pines to the name in the actual charter which was authorized prior to June 1, 2003. Additionally, the bill requires that the lab school be funded according to the county in which it is located.

C. SECTION DIRECTORY:

Section 1. Amends s. 1002.33, F.S.;

- Establishing a new purpose;
- Revising provisions relating to application and charter disputes;

⁶ Subpart I.e of Chapter 1006, Florida Statutes.

- Revising provisions relating to unencumbered capital outlay funds in cases of nonrenewal or termination of charter;
- Authorizing a municipal charter school feeder pattern to be designated as one charter school;
- Clarifying building and fire code requirements for charter schools;
- Exempting charter school facilities from fees for building licenses;
- Providing that educational impact fees may be designated for charter school construction to mitigate student station impact, and providing code compliance requirements and reversion to school district
- Requiring a charter school sponsor to provide additional services;
- Prohibiting school districts from charging any fees or surcharges for goods and services other than those specified;
- Authorizing a separately negotiated contract by charter school and sponsor for goods and services;
- Authorizing an appeal for dispute resolution hearing before the Charter School Appeal Commission when mediation has failed to resolve disputes over contractual matters

Section 2. Creates an unnumbered section requiring Department of Education to conduct a transportation study related to charter school issues and report to Legislature and Charter School Appeal Commission by November 1, 2004.

Section 3. Amends s. 1002.32, F.S., conforming cross-references; correcting a name; requiring lab school funding to be allocated based on county in which the lab school is located.

Section 4. Provides a severability clause.

Section 5. Provides an effective date of July 1, 2004.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

The bill does not appear to have a fiscal impact on state revenues.

2. Expenditures:

The bill does not appear to have a fiscal impact on state expenditures.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

The bill may have a direct impact on the private sector to the extent that the bill may provide additional incentives for developers to assist in the construction of educational facilities that will benefit the value and marketability of their developments.

D. FISCAL COMMENTS:

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

The bill does not require counties or municipalities to spend funds or take action requiring the expenditure of funds.

3. Other:

Class Size

The class size reduction mandate contained in Article IX, Section 1 of the State Constitution requires progressive reduction of class size through 2010. To the extent the bill might facilitate more timely and enhanced school facilities in school districts, the bill could have a positive impact on reaching the constitutional requirement.

B. RULE-MAKING AUTHORITY:

The bill does not grant additional rule-making authority.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES

HB 1913 originated as PCB EDK 04-05a. The PCB was amended and adopted by the Committee on Education K-20 on March 31, 2004.

The amendments:

- Removed the provision allowing community colleges and universities to sponsor charter schools.
- Clarified language.
- Clarified that a maximum of 5% administrative fee may be charged by a sponsor for goods and services.
- Authorized that a separate contract could be separately negotiated for goods and services.
- Authorized request for dispute resolution hearing before the Charter School Appeals Commission for disputes regarding contractual matters and services when mediation had failed.
- Required Department of Education to do study regarding transportation issues regarding charter schools.
- Changed "data" information services to "student" information services.
- Clarified that educational impact fees were to mitigate portion of student stations built and that such facilities were to meet SREF standards and revert to district if facilities were no longer used for educational purposes.