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An act relating to charter schools; amending s. 218.39, F.S.; requiring that a charter school be notified of certain deteriorating financial conditions; amending s. 1002.32, F.S.; clarifying that charter laboratory schools are included within provisions governing other developmental research schools; deleting obsolete provisions; amending s. 1002.33, F.S.; requiring sponsors of charter schools to implement specified policies and procedures; providing additional obligations of the sponsor; revising requirements for the sponsor in monitoring a charter school; requiring that the sponsor conduct an annual review of the charter school; requiring that the director and representative of the school's governing board appear before the sponsor under certain circumstances; providing duties of the chief executive officer of the sponsor; requiring that a charter school review its achievement after its first full year of operation and propose revisions to the charter for consideration by the district school board; requiring that the Department of Education conduct an annual survey of the governing boards of charter schools and report the results to the State Board of Education; revising application requirements; prohibiting a sponsor from approving an application unless it meets the requirements of the State Board of Education; requiring that the district school board notify the Department of Education of a denial of a charter application; deleting provisions

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providing for the review of certain disputes by the Charter School Appeal Commission; requiring that the department offer or arrange for training and technical assistance for applicants; decreasing the period provided for an applicant and sponsor to agree on the provisions of the charter; providing requirements for mediation; providing requirements for the application for a charter school; revising provisions specifying issues for inclusion in a charter; requiring that a charter school file a financial-recovery plan with the district school board after a finding of a state of financial emergency; specifying circumstances under which the sponsor is required to not renew or to terminate the charter; providing requirements for the sponsor if the charter is terminated; requiring applicants for a charter school to register with the Department of Education; requiring that the department maintain certain information concerning charter schools; requiring the department to develop an annual financial report for use by charter schools, along with guidelines; providing reporting and monitoring requirements for the governing body of a charter school; requiring that the sponsor be an advocate for the charter school in matters relating to interpretations of the fire code; authorizing the State Board of Education to adopt rules and enforce the provisions governing charter schools; requiring that the department provide or arrange for the provision of specified assistance to potential applicants, sponsors, charter schools, and school district

personnel; deleting provisions establishing the Charter School Review Panel; requiring the department to develop financial-management indicators for use by sponsors; requiring the department to include information concerning schools at risk in an annual report; providing effective dates.

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

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Section 1. Subsection (5) of section 218.39, Florida Statutes, is amended to read:

218.39 Annual financial audit reports.--

(5) At the conclusion of the audit, the auditor shall discuss with the chair of each local governmental entity or the chair's designee, or with the elected official of each county agency or with the elected official's designee, or with the chair of the district school board or the chair's designee, or with the chair of the board of the charter school or the chair's designee, or with the chair of the charter technical career center or the chair's designee, as appropriate, all of the auditor's comments that will be included in the audit report. If the officer is not available to discuss the auditor's comments, their discussion is presumed when the comments are delivered in writing to his or her office. The auditor shall notify each member of the governing body of a local governmental entity, or district school board, or charter school for which deteriorating financial conditions exist that may cause a condition described in s. 218.503(1) to occur if actions are not

taken to address such conditions.

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- Section 2. Paragraph (c) of subsection (9) of section 1002.32, Florida Statutes, is amended to read:
 - 1002.32 Developmental research (laboratory) schools. --
- (9) FUNDING.--Funding for a lab school, including a charter lab school, shall be provided as follows:
- All operating funds provided under this section shall be deposited in a Lab School Trust Fund and shall be expended for the purposes of this section. The university assigned a lab school or charter lab school shall be the fiscal agent for these funds, and all rules of the university governing the budgeting and expenditure of state funds shall apply to these funds unless otherwise provided by law or rule of the State Board of Education. The university board of trustees shall be the public employer of lab school personnel for collective bargaining purposes for lab schools in operation prior to the 2002-2003 fiscal year. Employees of charter lab schools authorized prior to June 1, 2003, but not in operation prior to the 2002-2003 fiscal year shall be employees of the entity holding the charter and must comply with the provisions of s. 1002.33(12). Lab schools are not subject to the payment of overhead or indirect costs as described in s. 216.346.
- Section 3. Section 1002.33, Florida Statutes, is amended to read:
 - 1002.33 Charter schools.--
- (1) AUTHORIZATION.--Charter schools shall be part of the state's program of public education. All charter schools in Florida are public schools. A charter school may be formed by

creating a new school or converting an existing public school to charter status. A public school may not use the term charter in its name unless it has been approved under this section.

(2) GUIDING PRINCIPLES; PURPOSE. --

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- (a) Charter schools in Florida shall be guided by the following principles:
- 1. Meet high standards of student achievement while providing parents flexibility to choose among diverse educational opportunities within the state's public school system.
- 2. Promote enhanced academic success and financial efficiency by aligning responsibility with accountability.
- 3. Provide parents with sufficient information on whether their child is reading at grade level and whether the child gains at least a year's worth of learning for every year spent in the charter school.
 - (b) Charter schools shall fulfill the following purposes:
 - 1. Improve student learning and academic achievement.
- 2. Increase learning opportunities for all students, with special emphasis on low-performing students and reading.
- 3. Create new professional opportunities for teachers, including ownership of the learning program at the school site.
 - 4. Encourage the use of innovative learning methods.
 - 5. Require the measurement of learning outcomes.
 - (c) Charter schools may fulfill the following purposes:
 - 1. Create innovative measurement tools.
- 2. Provide rigorous competition within the public school district to stimulate continual improvement in all public

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141 schools.

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- 3. Expand the capacity of the public school system.
- 4. Mitigate the educational impact created by the development of new residential dwelling units.
 - (3) APPLICATION FOR CHARTER STATUS. --
- (a) 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.
- An application for a conversion charter school shall be made by the district school board, the principal, teachers, parents, and/or the school advisory council at an existing public school that has been in operation for at least 2 years prior to the application to convert, including a public schoolwithin-a-school that is designated as a school by the district school board. An application submitted proposing to convert an existing public school to a charter school shall demonstrate the support of at least 50 percent of the teachers employed at the school and 50 percent of the parents voting whose children are enrolled at the school, provided that a majority of the parents eligible to vote participate in the ballot process, according to rules adopted by the State Board of Education. A district school board denying an application for a conversion charter school shall provide notice of denial to the applicants in writing within 30 days after the meeting at which the district school board denied the application. The notice must specify the exact reasons for denial and must provide documentation supporting those reasons. A private school, parochial school, or home

education program shall not be eligible for charter school status.

(4) UNLAWFUL REPRISAL.--

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- (a) No district school board, or district school board employee who has control over personnel actions, shall take unlawful reprisal against another district school board employee because that employee is either directly or indirectly involved with an application to establish a charter school. As used in this subsection, the term "unlawful reprisal" means an action taken by a district school board or a school system employee against an employee who is directly or indirectly involved in a lawful application to establish a charter school, which occurs as a direct result of that involvement, and which results in one or more of the following: disciplinary or corrective action; adverse transfer or reassignment, whether temporary or permanent; suspension, demotion, or dismissal; an unfavorable performance evaluation; a reduction in pay, benefits, or rewards; elimination of the employee's position absent of a reduction in workforce as a result of lack of moneys or work; or other adverse significant changes in duties or responsibilities that are inconsistent with the employee's salary or employment classification. The following procedures shall apply to an alleged unlawful reprisal that occurs as a consequence of an employee's direct or indirect involvement with an application to establish a charter school:
- 1. Within 60 days after the date upon which a reprisal prohibited by this subsection is alleged to have occurred, an employee may file a complaint with the Department of Education.

2. Within 3 working days after receiving a complaint under this section, the Department of Education shall acknowledge receipt of the complaint and provide copies of the complaint and any other relevant preliminary information available to each of the other parties named in the complaint, which parties shall each acknowledge receipt of such copies to the complainant.

- 3. If the Department of Education determines that the complaint demonstrates reasonable cause to suspect that an unlawful reprisal has occurred, the Department of Education shall conduct an investigation to produce a fact-finding report.
- 4. Within 90 days after receiving the complaint, the Department of Education shall provide the district school superintendent of the complainant's district and the complainant with a fact-finding report that may include recommendations to the parties or a proposed resolution of the complaint. The fact-finding report shall be presumed admissible in any subsequent or related administrative or judicial review.
- 5. If the Department of Education determines that reasonable grounds exist to believe that an unlawful reprisal has occurred, is occurring, or is to be taken, and is unable to conciliate a complaint within 60 days after receipt of the fact-finding report, the Department of Education shall terminate the investigation. Upon termination of any investigation, the Department of Education shall notify the complainant and the district school superintendent of the termination of the investigation, providing a summary of relevant facts found during the investigation and the reasons for terminating the investigation. A written statement under this paragraph is

presumed admissible as evidence in any judicial or administrative proceeding.

6. The Department of Education shall either contract with the Division of Administrative Hearings under s. 120.65, or otherwise provide for a complaint for which the Department of Education determines reasonable grounds exist to believe that an unlawful reprisal has occurred, is occurring, or is to be taken, and is unable to conciliate, to be heard by a panel of impartial persons. Upon hearing the complaint, the panel shall make findings of fact and conclusions of law for a final decision by the Department of Education.

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- It shall be an affirmative defense to any action brought pursuant to this section that the adverse action was predicated upon grounds other than, and would have been taken absent, the employee's exercise of rights protected by this section.
- (b) In any action brought under this section for which it is determined reasonable grounds exist to believe that an unlawful reprisal has occurred, is occurring, or is to be taken, the relief shall include the following:
- 1. Reinstatement of the employee to the same position held before the unlawful reprisal was commenced, or to an equivalent position, or payment of reasonable front pay as alternative relief.
- 2. Reinstatement of the employee's full fringe benefits and seniority rights, as appropriate.
- 3. Compensation, if appropriate, for lost wages, benefits, or other lost remuneration caused by the unlawful reprisal.

4. Payment of reasonable costs, including attorney's fees, to a substantially prevailing employee, or to the prevailing employer if the employee filed a frivolous action in bad faith.

- 5. Issuance of an injunction, if appropriate, by a court of competent jurisdiction.
- 6. Temporary reinstatement to the employee's former position or to an equivalent position, pending the final outcome of the complaint, if it is determined that the action was not made in bad faith or for a wrongful purpose, and did not occur after a district school board's initiation of a personnel action against the employee that includes documentation of the employee's violation of a disciplinary standard or performance deficiency.
 - (5) SPONSOR; DUTIES.--

- (a) Sponsoring entities. --
- 1. A district school board may sponsor a charter school in the county over which the district school board has jurisdiction.
- 2. A state university may grant a charter to a lab school created under s. 1002.32 and shall be considered to be the school's sponsor. Such school shall be considered a charter lab school.
- 3. Each sponsor, at a minimum, must have the following quality policies and procedures for charter school sponsorship in place by July 1, 2005:
- <u>a.</u> An organizational structure and committed human and financial resources necessary for conducting its sponsorship duties efficiently;

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b. A comprehensive application process that follows fair procedures and rigorous criteria and grants a charter only to those developers who demonstrate a strong capacity for establishing and operating a quality charter school;

- c. A process in place to negotiate contracts with charter schools which clearly articulates the rights and responsibilities of each party regarding school autonomy, expected outcomes, measures for evaluating success or failure, performance consequences, and other material terms;
- d. A process for efficient and effective contract oversight which evaluates performance, monitors compliance, informs intervention and renewal decisions, and ensures that autonomy is provided under applicable law;
- e. A transparent and rigorous process that uses comprehensive data to make merit-based decisions; and
- f. A process to advocate for charter schools in dealing with local fire marshals when facilities are being reviewed for compliance with the fire code.
 - (b) Sponsor duties. --

1. It is the obligation of the sponsor to participate in the application and review and approval process of a charter contract with good faith effort, fairness, due diligence, and quality in order to further the establishment and future operations of quality charter schools. Quality charter schools provide parents with another option for public school choice which best meets the needs of their child; thus, there is the likelihood of increased student achievement. The sponsor shall monitor and review the charter school in its progress toward

meeting the terms of its application and charter as defined in subsection (6) the goals established in the charter.

- 2. Beginning with the 2005-2006 school year, at a minimum, the sponsor shall conduct an annual review by July 1 of each year to ascertain whether the terms of the contract are being met. The sponsor shall notify in writing, by July 15, the charter school governing board and the director of the results of the review for each contract component. The sponsor shall specifically notify the governing board and the director of any potential issues that may jeopardize the future renewal of the charter, specifically identify contract issues, and recommend strategies for corrective action by the school to resolve the issues. The sponsor shall also certify to the State Board of Education annually whether the charter school is meeting the performance expectations established in its charter.
- 3. The director and a representative of the governing board of a charter school graded "D" or "F" shall appear before the sponsor at a formal school board meeting or state university trustee board meeting at least twice a year to present information concerning each contract component having noted deficiencies and to address corrective strategies that are being implemented by the school. The sponsor shall communicate at the meeting, and in writing to the director, the services provided to the school to help the school address its deficiencies.
- 4. The chief executive officer of the sponsoring entity must certify in writing to its governing board that a quality, fair, and judicious review of the application or charter was conducted. The sponsoring entity must consider the certification

of a quality review in its proceedings to approve, amend, or deny an application or charter. The chief executive officer must include the following components in the certification demonstrating that a quality, fair, and judicious review was completed regarding:

- a. A 5-year financial plan that contains anticipated fund balances based on revenue projections and sources, a spending plan based on projected revenues and expenses, and a description of controls that will safeguard finances and projected enrollment trends. The plan must be an accurate and detailed description of the school's proposed budget and fiscal plan.
- b. A detailed curriculum plan that illustrates how students will be provided services to attain the Sunshine State Standards. The plan must include the focus of the curriculum, the instructional methods to be used, any distinctive instructional techniques to be employed, and an identification and acquisition of appropriate technologies needed to improve educational and administrative performance, including a means for promoting safe, ethical, and appropriate uses of technology which comply with legal and professional standards. The curriculum and instructional strategies for reading must be consistent with the Sunshine State Standards and grounded in scientifically based reading research.
- c. The inclusion of goals and objectives for improving student learning and measuring that improvement. These goals and objectives must indicate the degree of academic improvement students are expected to show each year, how success will be evaluated, and the specific results to be attained through

instruction.

d. A plan to ensure that reading is a primary focus of the curriculum and that resources are provided to identify and provide specialized instruction for students who are reading below grade level. The plan must describe the reading curriculum and differentiated strategies that will be used for students reading at grade level or higher and a separate curriculum and strategies for students who are reading below grade level. A sponsor shall deny a charter if the school does not propose a reading curriculum that is consistent with effective teaching strategies that are grounded in scientifically based reading research.

- e. The methods used to identify the educational strengths and needs of students and how well educational goals and performance standards are met by students attending the charter school. The methods must include a means by which the charter school can ensure accountability to its constituents by analyzing student performance data and by evaluating the effectiveness and efficiency of its major educational programs. Students in charter schools shall, at a minimum, participate in the statewide assessment program created under s. 1008.22.
- 5. After a newly opened charter school completes a full school year of operation, it must review the projected outcomes of achievement in its charter and propose revisions if the student population is significantly different than anticipated in its original charter. The district school board must consider the school's proposal to revise the charter.
 - 6.2. The sponsor shall monitor at least on a quarterly

basis the revenues and expenditures of the charter school.

- 7.3. The sponsor may approve a charter for a charter school before the applicant has secured space, equipment, or personnel, if the applicant indicates approval is necessary for it to raise working capital.
- 8.4. The sponsor's policies shall not apply to a charter school.
- 9.5. The sponsor shall ensure that the charter is innovative and consistent with the state education goals established by s. 1008.31(3)(c) s. 1000.03(5).
- 10.6. The sponsor shall ensure that the charter school participates in the state's education accountability system. If a charter school falls short of performance measures included in the approved charter, the sponsor shall report such shortcomings to the Department of Education.

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

(c) Annual survey.--The Department of Education shall conduct an annual survey of charter school governing boards to determine the boards' satisfaction with the services received from their sponsors and the Department of Education. The survey results shall be reported to the State Board of Education, which may recommend action for sponsors having an inordinate number of complaints or sponsors that have been determined not to have fulfilled their responsibilities as described in this section.

- (6) APPLICATION PROCESS AND REVIEW.--Beginning September

 1, 2003, applications are subject to the following requirements:
- (a) A person or entity wishing to open a charter school shall prepare an application that:
- 1. Demonstrates how the school will use the guiding principles and meet the statutorily defined purpose of a charter school.
- 2. Provides a detailed curriculum plan that illustrates how students will be provided services to attain the Sunshine State Standards.
- 3. Contains goals and objectives for improving student learning and measuring that improvement. These goals and objectives must indicate how much academic improvement students are expected to show each year, how success will be evaluated, and the specific results to be attained through instruction.
- 4. Describes the reading curriculum and differentiated strategies that will be used for students reading at grade level or higher and a separate curriculum and strategies for students who are reading below grade level. A sponsor shall deny a charter if the school does not propose a reading curriculum that

is consistent with effective teaching strategies that are grounded in scientifically based reading research.

- 5. Contains an annual financial plan for each year requested by the charter for operation of the school for up to 5 years. This plan must contain anticipated fund balances based on revenue projections, a spending plan based on projected revenues and expenses, and a description of controls that will safeguard finances and projected enrollment trends.
- (a)(b) A district school board shall receive and review all applications for a charter school. A district school board shall receive and consider charter school applications received on or before September 1 of each calendar year for charter schools to be opened at the beginning of the school district's next school year, or to be opened at a time agreed to by the applicant and the district school board. A district school board may receive applications later than this date if it chooses. A sponsor may not charge an applicant for a charter any fee for the processing or consideration of an application, and a sponsor may not base its consideration or approval of an application upon the promise of future payment of any kind. A sponsor may not approve an application unless the application meets the specifications and criteria established by rule of the State Board of Education.
- 1. In order to facilitate an accurate budget projection process, a district school board shall be held harmless for FTE students who are not included in the FTE projection due to approval of charter school applications after the FTE projection deadline. In a further effort to facilitate an accurate budget

projection, within 15 calendar days after receipt of a charter school application, a district school board or other sponsor shall report to the Department of Education the name of the applicant entity, the proposed charter school location, and its projected FTE.

- 2. In order to ensure fiscal responsibility, an application for a charter school shall include a full accounting of expected assets, a projection of expected sources and amounts of income, including income derived from projected student enrollments and from community support, and an expense projection that includes full accounting of the costs of operation, including start-up costs.
- 2.3. A district school board shall by a majority vote approve or deny an application no later than 60 calendar days after the application is received, unless the district school board and the applicant mutually agree to temporarily postpone the vote to a specific date, at which time the district school board shall by a majority vote approve or deny the application. If the district school board fails to act on the application, an applicant may appeal to the State Board of Education as provided in paragraph (b)(c). If an application is denied, the district school board shall, within 10 calendar days, articulate in writing the specific reasons based upon good cause supporting its denial of the charter application and shall, by letter, notify the applicant as well as the Department of Education of the specific reasons.
- 3.4. For budget projection purposes, the district school board or other sponsor shall report to the Department of

Education the approval or denial of a charter application within 10 calendar days after such approval or denial. In the event of approval, the report to the Department of Education shall include the final projected FTE for the approved charter school.

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 $\underline{4.5.}$ Upon approval of a charter application, the initial startup shall commence with the beginning of the public school calendar for the district in which the charter is granted unless the district school board allows a waiver of this provision for good cause.

(b)(c) An applicant may appeal any denial of that applicant's application or failure to act on an application to the State Board of Education no later than 30 calendar days after receipt of the district school board's decision or failure to act and shall notify the district school board of its appeal. Any response of the district school board shall be submitted to the State Board of Education within 30 calendar days after notification of the appeal. Upon receipt of notification from the State Board of Education that a charter school applicant is filing an appeal, the Commissioner of Education shall convene a meeting of the Charter School Appeal Commission to study and make recommendations to the State Board of Education regarding its pending decision about the appeal. The commission shall forward its recommendation to the state board no later than 7 calendar days prior to the date on which the appeal is to be heard. The State Board of Education shall by majority vote accept or reject the decision of the district school board no later than 90 calendar days after an appeal is filed in accordance with State Board of Education rule. The Charter

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School Appeal Commission may reject an appeal submission for failure to comply with procedural rules governing the appeals process. The rejection shall describe the submission errors. The appellant may have up to 15 calendar days from notice of rejection to resubmit an appeal that meets requirements of State Board of Education rule. An application for appeal submitted subsequent to such rejection shall be considered timely if the original appeal was filed within 30 calendar days after receipt of notice of the specific reasons for the district school board's denial of the charter application. The State Board of Education shall remand the application to the district school board with its written decision that the district school board approve or deny the application. The district school board shall implement the decision of the State Board of Education. The decision of the State Board of Education is not subject to the provisions of the Administrative Procedure Act, chapter 120.

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

(d)(e)1. A Charter School Appeal Commission is established to assist the commissioner and the State Board of Education with a fair and impartial review of appeals by applicants whose charter applications have been denied or, whose charter contracts have not been renewed or have been terminated by their sponsors, or whose disputes over contract negotiations have not been resolved through mediation.

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

- 3. The commissioner shall appoint the members of the Charter School Appeal Commission. Members shall serve without compensation but may be reimbursed for travel and per diem expenses in conjunction with their service. One-half of the members must represent currently operating charter schools, and one-half of the members must represent school districts. The commissioner or a named designee shall chair the Charter School Appeal Commission.
- 4. The chair shall convene meetings of the commission and shall ensure that the written recommendations are completed and forwarded in a timely manner. In cases where the commission cannot reach a decision, the chair shall make the written recommendation with justification, noting that the decision was rendered by the chair.

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

(e)(f) The Department of Education must offer or arrange for training and technical assistance to charter school applicants in developing business plans and estimating costs and income. This assistance must address estimating start-up costs, projecting enrollment, and identifying the types and amounts of state and federal financial assistance the charter school will be eligible to receive. The Department of Education may provide other technical assistance to an applicant upon written request.

 $\underline{(f)}(g)$ In considering charter applications for a lab school, a state university shall consult with the district

school board of the county in which the lab school is located. The decision of a state university may be appealed pursuant to the procedure established in this subsection.

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(q)(h) The terms and conditions for the operation of a charter school shall be set forth by the sponsor and the applicant in a written contractual agreement, called a charter. The sponsor shall not impose unreasonable rules or regulations that violate the intent of giving charter schools greater flexibility to meet educational goals. The applicant and sponsor shall have 90 days 6 months in which to mutually agree to the provisions of the charter. The Department of Education shall provide mediation services for any dispute regarding this section subsequent to the approval of a charter application and for any dispute relating to the approved charter, except disputes regarding charter school application denials. The department shall notify the parties that a request for mediation has been received within 10 working days, schedule and commence mediation within 60 days following the date the request is submitted to the department, and establish whether mediation has been successful within 60 days following conclusion of the mediation. If the Commissioner of Education determines that the dispute cannot be settled through mediation, the dispute may be appealed to an administrative law judge appointed by the Division of Administrative Hearings. The administrative law judge may rule on issues of equitable treatment of the charter school as a public school, whether proposed provisions of the charter violate the intended flexibility granted charter schools by statute, or on any other matter regarding this section except

a charter school application denial, and shall award the prevailing party reasonable attorney's fees and costs incurred to be paid by the losing party. The costs of the administrative hearing shall be paid by the party whom the administrative law judge rules against.

- (7) CHARTER.--The major issues involving the operation of a charter school shall be considered in advance and included in the application for a charter school as required by this section and written into the charter. The charter shall be signed by the governing body of the charter school and the sponsor, following a public hearing to ensure community input.
- (a) <u>In addition to the requirements of subparagraph</u>

 (5)(b)4., the charter shall address, and criteria for approval of the charter must include shall be based on:
- 1. The school's mission, the students to be served, and the ages and grades to be included.
- 2. The focus of the curriculum, the instructional methods to be used, any distinctive instructional techniques to be employed, and identification and acquisition of appropriate technologies needed to improve educational and administrative performance which include a means for promoting safe, ethical, and appropriate uses of technology which comply with legal and professional standards. The charter shall ensure that reading is a primary focus of the curriculum and that resources are provided to identify and provide specialized instruction for students who are reading below grade level. The curriculum and instructional strategies for reading must be consistent with the Sunshine State Standards and grounded in scientifically based

reading research.

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

- a. How the baseline student academic achievement levels and prior rates of academic progress will be established.
- b. How these baseline rates will be compared to rates of academic progress achieved by these same students while attending the charter school.
- c. To the extent possible, how these rates of progress will be evaluated and compared with rates of progress of other closely comparable student populations.

The district school board <u>shall</u> is required to provide academic student performance data to charter schools for each of their students coming from the district school system, as well as rates of academic progress of comparable student populations in the district school system.

4. The methods used to identify the educational strengths and needs of students and how well educational goals and performance standards are met by students attending the charter school. Included in the methods is a means for the charter school to ensure accountability to its constituents by analyzing student performance data and by evaluating the effectiveness and efficiency of its major educational programs. Students in charter schools shall, at a minimum, participate in the

statewide assessment program created under s. 1008.22.

- 2.5. In secondary charter schools, a method for determining that a student has satisfied the requirements for graduation in s. 1003.43.
- 6. A method for resolving conflicts between the governing body of the charter school and the sponsor.
- 7. The admissions procedures and dismissal procedures, including the school's code of student conduct.
- 8. The ways by which the school will achieve a racial/ethnic balance reflective of the community it serves or within the racial/ethnic range of other public schools in the same school district.
- 9. The financial and administrative management of the school, including a reasonable demonstration of the professional experience or competence of those individuals or organizations applying to operate the charter school or those hired or retained to perform such professional services and the description of clearly delineated responsibilities and the policies and practices needed to effectively manage the charter school. A description of internal audit procedures and establishment of controls to ensure that financial resources are properly managed must be included. Both public sector and private sector professional experience shall be equally valid in such a consideration.
- 3.10. The asset and liability projections required in the application which are incorporated into the charter and which shall be compared with information provided in the annual report of the charter school. The charter shall ensure that, if a

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charter school internal audit or annual financial audit reveals a state of financial emergency as defined in s. 218.503 or deficit financial position, the auditors are required to notify the charter school governing board, the sponsor, and the Department of Education. The internal auditor shall report such findings in the form of an exit interview to the principal or the principal administrator of the charter school and the chair of the governing board within 7 working days after finding the state of financial emergency or deficit position. A final report shall be provided to the entire governing board, the sponsor, and the Department of Education within 14 working days after the exit interview. When a charter school is in a state of financial emergency, the charter school shall file a detailed financialrecovery plan with the sponsoring district school board. The Department of Education must establish guidelines for developing such plans.

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

5.12. The term of the charter which shall provide for cancellation of the charter if insufficient progress has been made in attaining the student achievement objectives of the

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charter and if it is not likely that such objectives can be achieved before expiration of the charter. The initial term of a charter shall be for 3, 4, or 5 years. In order to facilitate access to long-term financial resources for charter school construction, charter schools that are operated by a municipality or other public entity as provided by law are eligible for up to a 15-year charter, subject to approval by the district school board. A charter lab school is eligible for a charter for a term of up to 15 years. In addition, to facilitate access to long-term financial resources for charter school construction, charter schools that are operated by a private, not-for-profit, s. 501(c)(3) status corporation are eligible for up to a 10-year charter, subject to approval by the district school board. Such long-term charters remain subject to annual review and may be terminated during the term of the charter, but only for specific good cause according to the provisions set forth in subsection (8).

- 6.13. The facilities to be used and their location.
- 14. The qualifications to be required of the teachers and the potential strategies used to recruit, hire, train, and retain qualified staff to achieve best value.
- 7.15. The governance structure of the school, including the status of the charter school as a public or private employer as required in paragraph (12)(i).
- 16. A timetable for implementing the charter which addresses the implementation of each element thereof and the date by which the charter shall be awarded in order to meet this timetable.

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

- (b) A charter may be renewed every 5 school years, provided that a program review demonstrates that the criteria in paragraph (a) have been successfully accomplished and that none of the grounds for nonrenewal established by paragraph (8)(a) has been documented. In order to facilitate long-term financing for charter school construction, charter schools operating for a minimum of 2 years and demonstrating exemplary academic programming and fiscal management are eligible for a 15-year charter renewal. Such long-term charter is subject to annual review and may be terminated during the term of the charter.
- (c) A charter may be modified during its initial term or any renewal term upon the recommendation of the sponsor or the charter school governing board and the approval of both parties to the agreement.
 - (8) CAUSES FOR NONRENEWAL OR TERMINATION OF CHARTER. --
- (a) At the end of the term of a charter, the sponsor <u>shall</u> may choose not to renew or to terminate the charter for any of

813 the following grounds:

1. Failure to participate in the state's education accountability system created in s. 1008.31, as required in this section, ex failure to meet the requirements for student performance stated in the charter, or failure to meet the performance standards as authorized by s. 1008.32 and specified by rule of the State Board of Education.

- 2. Failure to comply with statutorily directed state reporting requirements, including the requirements identified in paragraph (9)(m) which pertain to components of the annual charter school accountability report.
- 3. Failure of the governing body of a charter school to submit its annual performance accountability report to its sponsors as prescribed in paragraph (9)(m).
- 4. Failure of the director of a charter school having a school performance grade of a "D" or "F" to appear before the sponsoring body as required in subsection (5).
- $\underline{5.2.}$ Failure to meet generally accepted standards of fiscal management.
 - 6.3. Violation of law.
 - 7.4. Other good cause shown.
- (b) During the term of a charter, the sponsor may terminate the charter for any of the grounds listed in paragraph(a).
- (c) At the end of the term of a charter or during the term of a charter, the sponsor may not renew or shall terminate the charter when the charter school receives a school performance grade of "F" under s. 1008.34 for 2 consecutive years, unless

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the school has made adequate yearly progress under the federal No Child Left Behind Act in at least 1 of those 2 years.

- (d) At the end of the term of a charter, the sponsor may not renew the charter if the school fails to meet the requirements for student performance set forth in rules of the State Board of Education.
- (e)(e) At least 90 days prior to renewing or terminating a charter, the sponsor shall notify the governing body of the school of the proposed action in writing. The notice shall state in reasonable detail the grounds for the proposed action and stipulate that the school's governing body may, within 14 calendar days after receiving the notice, request an informal hearing before the sponsor. The sponsor shall conduct the informal hearing within 30 calendar days after receiving a written request. The charter school's governing body may, within 14 calendar days after receiving the sponsor's decision to terminate or refuse to renew the charter, appeal the decision pursuant to the procedure established in subsection (6).
- (f)(d) A charter may be terminated immediately if the sponsor determines that good cause has been shown or if the health, safety, or welfare of the students is threatened. The charter sponsor must notify in writing the charter school's governing body, the school principal, and the Department of Education if a charter is immediately terminated. The sponsor shall clearly identify the issues that resulted in the immediate termination and provide evidence of prior notification of issues resulting in the immediate termination when appropriate. The school district in which the charter school is located shall

assume operation of the school under these circumstances. The charter school's governing board may, within 14 days after receiving the sponsor's decision to terminate the charter, appeal the decision pursuant to the procedure established in subsection (6).

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(q)(e) When a charter is not renewed or is terminated, the school shall be dissolved under the provisions of law under which the school was organized, and any unencumbered public funds, except for capital outlay funds, from the charter school shall revert to the district school board. Capital outlay funds provided pursuant to s. 1013.62 that are unencumbered shall revert to the department to be redistributed among eligible charter schools. In the event a charter school is dissolved or is otherwise terminated, all district school board property and improvements, furnishings, and equipment purchased with public funds shall automatically revert to full ownership by the district school board, subject to complete satisfaction of any lawful liens or encumbrances. Any unencumbered public funds from the charter school, district school board property and improvements, furnishings, and equipment purchased with public funds, or financial or other records pertaining to the charter school, in the possession of any person, entity, or holding company, other than the charter school, shall be held in trust upon the district school board's request, until any appeal status is resolved.

 $\underline{\text{(h)}(f)}$ If a charter is not renewed or is terminated, the charter school is responsible for all debts of the charter school. The district may not assume the debt from any contract

for services made between the governing body of the school and a third party, except for a debt that is previously detailed and agreed upon in writing by both the district and the governing body of the school and that may not reasonably be assumed to have been satisfied by the district.

- (i)(g) If a charter is not renewed or is terminated, a student who attended the school may apply to, and shall be enrolled in, another public school. Normal application deadlines shall be disregarded under such circumstances.
 - (9) CHARTER SCHOOL REQUIREMENTS. --

- (a) A charter school shall be nonsectarian in its programs, admission policies, employment practices, and operations.
- (b) A charter school shall admit students as provided in subsection (10).
- (c) A charter school shall be accountable to its sponsor for performance as provided in subsection (7).
- (d) A charter school shall not charge tuition or registration fees, except those fees normally charged by other public schools. However, a charter lab school may charge a student activity and service fee as authorized by s. 1002.32(5).
- (e) A charter school shall meet all applicable state and local health, safety, and civil rights requirements.
- (f) A charter school shall not violate the antidiscrimination provisions of s. 1000.05.
- (g) A charter school shall provide for an annual financial audit in accordance with s. 218.39. <u>Financial audits that yield</u> a state of financial emergency as defined in s. 218.503 and

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conducted by a certified public accountant or auditor in accordance with s. 218.39 shall be provided to the governing body of the charter school within 7 working days after finding that a state of financial emergency exists. When a charter school is found to be in a state of financial emergency by a certified public accountant or auditor, the charter school must file a detailed financial-recovery plan with the sponsoring district school board within 30 days after receipt of the audit. The detailed financial-recovery plan must comply with the requirements set forth by the Department of Education.

- (h) No organization shall hold more than 15 charters statewide.
- (i) Any individual, group, organization, or private or nonprofit company that submits an application to operate a charter school in this state or that is contracted with by the governing board of a charter school to operate a charter school in this state must register with the Department of Education upon submission of its application to the sponsor. The Department of Education shall maintain a database that contains the name of each organization or entity applying for a charter or operating by contract a charter school in this state, principal contact information, a description of the organization or entity, an identification of the number of charter applications or contracts in the state, and disclosure of charters terminated or renewed in this state and other states. A sponsor may not approve an application for a charter unless the governing board and contract operator of the school have submitted a complete, accurate, and timely registration with the

Department of Education.

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

- 1. In accordance with the accounts and codes prescribed in the most recent issuance of the publication titled "Financial and Program Cost Accounting and Reporting for Florida Schools"; or
- 2. At the discretion of the charter school governing board, a charter school may elect to follow generally accepted accounting standards for not-for-profit organizations, but must reformat this information for reporting according to this paragraph.

Charter schools shall are to provide annual financial report and program cost report information in the state-required formats for inclusion in district reporting in compliance with s. 1011.60(1). Charter schools that are operated by a municipality or are a component unit of a parent nonprofit organization may use the accounting system of the municipality or the parent but must reformat this information for reporting according to this paragraph. The Department of Education must develop a modified annual financial report for use by charter schools, which would allow districts and the state to include charter school expenditures in their educational cost reports. The department must develop guidelines that identify district and department responsibilities for verifying the data in these reports. These

guidelines must require that each charter school's annual financial report be signed by the school's chief financial officer or the certified public accountant who prepared the report.

- $\frac{(k)}{(j)}$ The governing board of the charter school shall annually adopt and maintain an operating budget.
- $\frac{(1)(k)}{(k)}$ The governing body of the charter school shall exercise continuing oversight over charter school operations.
- (m)(1) The governing body of the charter school shall report its performance progress annually to its sponsor, which shall forward the report to the Commissioner of Education at the same time as other annual school accountability reports. The governing body shall monitor and review its school in adherence and compliance with components of its application and charter as defined in subsection (6). The Department of Education shall include in its compilation a notation if a school failed to file its report by the deadline established by the department. The report shall include at least the following components:
- 1. Student achievement performance data, including the information required for the annual school report and the education accountability system governed by ss. 1008.31 and 1008.345. Charter schools are subject to the same accountability requirements as other public schools, including reports of student achievement information that links baseline student data to the school's performance projections identified in the charter. The charter school shall identify reasons for any difference between projected and actual student performance.
 - 2. Financial status of the charter school which must

include revenues and expenditures at a level of detail that allows for analysis of the ability to meet financial obligations and timely repayment of debt.

- 3. Documentation of the facilities in current use and any planned facilities for use by the charter school for instruction of students, administrative functions, or investment purposes.
- 4. Descriptive information about the charter school's personnel, including salary and benefit levels of charter school employees, the proportion of instructional personnel who hold professional or temporary certificates, and the proportion of instructional personnel teaching in-field or out-of-field.
- $\underline{\text{(n)}}$ A charter school shall not levy taxes or issue bonds secured by tax revenues.
- $\underline{\text{(o)}(n)}$ A charter school shall provide instruction for at least the number of days required by law for other public schools, and may provide instruction for additional days.
 - (10) ELIGIBLE STUDENTS.--

- (a) A charter school shall be open to any student covered in an interdistrict agreement or residing in the school district in which the charter school is located; however, in the case of a charter lab school, the charter lab school shall be open to any student eligible to attend the lab school as provided in s. 1002.32 or who resides in the school district in which the charter lab school is located. Any eligible student shall be allowed interdistrict transfer to attend a charter school when based on good cause.
- (b) The charter school shall enroll an eligible student who submits a timely application, unless the number of

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applications exceeds the capacity of a program, class, grade level, or building. In such case, all applicants shall have an equal chance of being admitted through a random selection process.

- (c) When a public school converts to charter status, enrollment preference shall be given to students who would have otherwise attended that public school.
- (d) A charter school may give enrollment preference to the following student populations:
- 1. Students who are siblings of a student enrolled in the charter school.
- 2. Students who are the children of a member of the governing board of the charter school.
- 3. Students who are the children of an employee of the charter school.
- (e) A charter school may limit the enrollment process only to target the following student populations:
 - 1. Students within specific age groups or grade levels.
- 2. Students considered at risk of dropping out of school or academic failure. Such students shall include exceptional education students.
- 3. Students enrolling in a charter school-in-the-workplace or charter school-in-a-municipality established pursuant to subsection (15).
- 4. Students residing within a reasonable distance of the charter school, as described in paragraph (20)(c). Such students shall be subject to a random lottery and to the racial/ethnic balance provisions described in rules of the State Board of

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<u>Education</u> subparagraph (7)(a)8. or any federal provisions that require a school to achieve a racial/ethnic balance reflective of the community it serves or within the racial/ethnic range of other public schools in the same school district.

- 5. Students who meet reasonable academic, artistic, or other eligibility standards established by the charter school and included in the charter school application and charter or, in the case of existing charter schools, standards that are consistent with the school's mission and purpose. Such standards shall be in accordance with current state law and practice in public schools and may not discriminate against otherwise qualified individuals.
- 6. Students articulating from one charter school to another pursuant to an articulation agreement between the charter schools that has been approved by the sponsor.
- (f) Students with handicapping conditions and students served in English for Speakers of Other Languages programs shall have an equal opportunity of being selected for enrollment in a charter school.
- (g) A student may withdraw from a charter school at any time and enroll in another public school as determined by district school board rule.
- (h) The capacity of the charter school shall be determined annually by the governing board, in conjunction with the sponsor, of the charter school in consideration of the factors identified in this subsection.
- (11) PARTICIPATION IN INTERSCHOLASTIC EXTRACURRICULAR
 ACTIVITIES.--A charter school student is eligible to participate

in an interscholastic extracurricular activity at the public school to which the student would be otherwise assigned to attend pursuant to s. 1006.15(3)(d).

(12) EMPLOYEES OF CHARTER SCHOOLS. --

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

board agree to this arrangement and its financing. School districts shall not require resignations of teachers desiring to teach in a charter school. This paragraph shall not prohibit a district school board from approving alternative leave arrangements consistent with chapter 1012.

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- Teachers employed by or under contract to a charter school shall be certified as required by chapter 1012. A charter school governing board may employ or contract with skilled selected noncertified personnel to provide instructional services or to assist instructional staff members as education paraprofessionals in the same manner as defined in chapter 1012, and as provided by State Board of Education rule for charter school governing boards. A charter school may not knowingly employ an individual to provide instructional services or to serve as an education paraprofessional if the individual's certification or licensure as an educator is suspended or revoked by this or any other state. A charter school may not knowingly employ an individual who has resigned from a school district in lieu of disciplinary action with respect to child welfare or safety, or who has been dismissed for just cause by any school district with respect to child welfare or safety. The qualifications of teachers shall be disclosed to parents.
- (g) A charter school shall employ or contract with employees who have undergone background screening as provided in s. 1012.32. Members of the governing board of the charter school shall also undergo background screening in a manner similar to that provided in s. 1012.32.
 - (h) For the purposes of tort liability, the governing body

and employees of a charter school shall be governed by s. 1150 768.28.

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- A charter school shall organize as, or be operated by, (i) a nonprofit organization. A charter school may be operated by a municipality or other public entity as provided for by law. As such, the charter school may be either a private or a public employer. As a public employer, a charter school may participate in the Florida Retirement System upon application and approval as a "covered group" under s. 121.021(34). If a charter school participates in the Florida Retirement System, the charter school employees shall be compulsory members of the Florida Retirement System. As either a private or a public employer, a charter school may contract for services with an individual or group of individuals who are organized as a partnership or a cooperative. Individuals or groups of individuals who contract their services to the charter school are not public employees.
- (13) CHARTER SCHOOL COOPERATIVES.--Charter schools may enter into cooperative agreements to form charter school cooperative organizations that may provide the following services: charter school planning and development, direct instructional services, and contracts with charter school governing boards to provide personnel administrative services, payroll services, human resource management, evaluation and assessment services, teacher preparation, and professional development.
- (14) CHARTER SCHOOL FINANCIAL ARRANGEMENTS;
 INDEMNIFICATION OF THE STATE AND SCHOOL DISTRICT; CREDIT OR

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TAXING POWER NOT TO BE PLEDGED.—Any arrangement entered into to borrow or otherwise secure funds for a charter school authorized in this section from a source other than the state or a school district shall indemnify the state and the school district from any and all liability, including, but not limited to, financial responsibility for the payment of the principal or interest. Any loans, bonds, or other financial agreements are not obligations of the state or the school district but are obligations of the charter school authority and are payable solely from the sources of funds pledged by such agreement. The credit or taxing power of the state or the school district shall not be pledged and no debts shall be payable out of any moneys except those of the legal entity in possession of a valid charter approved by a district school board pursuant to this section.

- (15) CHARTER SCHOOLS-IN-THE-WORKPLACE; CHARTER SCHOOLS-IN-A-MUNICIPALITY.--
- (a) In order to increase business partnerships in education, to reduce school and classroom overcrowding throughout the state, and to offset the high costs for educational facilities construction, the Legislature intends to encourage the formation of business partnership schools or satellite learning centers and municipal-operated schools through charter school status.
- (b) A charter school-in-the-workplace may be established when a business partner provides the school facility to be used; enrolls students based upon a random lottery that involves all of the children of employees of that business or corporation who are seeking enrollment, as provided for in subsection (10); and

enrolls students according to the racial/ethnic balance provisions described in rules of the State Board of Education subparagraph (7)(a)8. Any portion of a facility used for a public charter school shall be exempt from ad valorem taxes, as provided for in s. 1013.54, for the duration of its use as a public school.

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- A charter school-in-a-municipality designation may be granted to a municipality that possesses a charter; enrolls students based upon a random lottery that involves all of the children of the residents of that municipality who are seeking enrollment, as provided for in subsection (10); and enrolls students according to the racial/ethnic balance provisions described in rules of the State Board of Education subparagraph (7)(a)8. When a municipality has submitted charter applications for the establishment of a charter school feeder pattern, consisting of elementary, middle, and senior high schools, and each individual charter application is approved by the district school board, such schools shall then be designated as one charter school for all purposes listed pursuant to this section. Any portion of the land and facility used for a public charter school shall be exempt from ad valorem taxes, as provided for in s. 1013.54, for the duration of its use as a public school.
- (d) As used in this subsection, the terms "business partner" or "municipality" may include more than one business or municipality to form a charter school-in-the-workplace or charter school-in-a-municipality.
 - (16) EXEMPTION FROM STATUTES. --
 - (a) A charter school shall operate in accordance with its

charter and shall be exempt from all statutes in chapters 1000-1234 1013. However, a charter school shall be in compliance with the following statutes in chapters 1000-1013:

1. Those statutes specifically applying to charter schools, including this section.

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- 2. Those statutes pertaining to the student assessment program and school grading system.
- 3. Those statutes pertaining to the provision of services to students with disabilities.
- 4. Those statutes pertaining to civil rights, including s. 1243 1000.05, relating to discrimination.
 - 5. Those statutes pertaining to student health, safety, and welfare.
 - (b) Additionally, a charter school shall be in compliance with the following statutes:
 - 1. Section 286.011, relating to public meetings and records, public inspection, and criminal and civil penalties.
 - 2. Chapter 119, relating to public records.
 - (17) FUNDING.--Students enrolled in a charter school, regardless of the sponsorship, shall be funded as if they are in a basic program or a special program, the same as students enrolled in other public schools in the school district. Funding for a charter lab school shall be as provided in s. 1002.32.
 - (a) Each charter school shall report its student enrollment to the district school board as required in s. 1011.62, and in accordance with the definitions in s. 1011.61. The district school board shall include each charter school's enrollment in the district's report of student enrollment. All

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charter schools submitting student record information required by the Department of Education shall comply with the Department of Education's guidelines for electronic data formats for such data, and all districts shall accept electronic data that complies with the Department of Education's electronic format.

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- The basis for the agreement for funding students enrolled in a charter school shall be the sum of the school district's operating funds from the Florida Education Finance Program as provided in s. 1011.62 and the General Appropriations Act, including gross state and local funds, discretionary lottery funds, and funds from the school district's current operating discretionary millage levy; divided by total funded weighted full-time equivalent students in the school district; multiplied by the weighted full-time equivalent students for the charter school. Charter schools whose students or programs meet the eligibility criteria in law shall be entitled to their proportionate share of categorical program funds included in the total funds available in the Florida Education Finance Program by the Legislature, including transportation. Total funding for each charter school shall be recalculated during the year to reflect the revised calculations under the Florida Education Finance Program by the state and the actual weighted full-time equivalent students reported by the charter school during the full-time equivalent student survey periods designated by the Commissioner of Education.
- (c) If the district school board is providing programs or services to students funded by federal funds, any eligible students enrolled in charter schools in the school district

shall be provided federal funds for the same level of service provided students in the schools operated by the district school board. Pursuant to provisions of 20 U.S.C. 8061 s. 10306, all charter schools shall receive all federal funding for which the school is otherwise eligible, including Title I funding, not later than 5 months after the charter school first opens and within 5 months after any subsequent expansion of enrollment.

- District school boards shall make every effort to ensure that charter schools receive timely and efficient reimbursement, including processing paperwork required to access special state and federal funding for which they may be eligible. The district school board may distribute funds to a charter school for up to 3 months based on the projected fulltime equivalent student membership of the charter school. Thereafter, the results of full-time equivalent student membership surveys shall be used in adjusting the amount of funds distributed monthly to the charter school for the remainder of the fiscal year. The payment shall be issued no later than 10 working days after the district school board receives a distribution of state or federal funds. If a warrant for payment is not issued within 30 working days after receipt of funding by the district school board, the school district shall pay to the charter school, in addition to the amount of the scheduled disbursement, interest at a rate of 1 percent per month calculated on a daily basis on the unpaid balance from the expiration of the 30-day period until such time as the warrant is issued.
 - (18) FACILITIES. --

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(a) A charter school shall utilize facilities which comply with the Florida Building Code pursuant to chapter 553 except for the State Requirements for Educational Facilities. Charter schools are not required to comply, but may choose to comply, with the State Requirements for Educational Facilities of the Florida Building Code adopted pursuant to s. 1013.37. The local governing authority shall not adopt or impose local building requirements or restrictions that are more stringent than those found in the Florida Building Code. The agency having jurisdiction for inspection of a facility and issuance of a certificate of occupancy shall be the local municipality or, if in an unincorporated area, the county governing authority.

- (b) A charter school shall utilize facilities that comply with the Florida Fire Prevention Code, pursuant to s. 633.025, as adopted by the authority in whose jurisdiction the facility is located as provided in paragraph (a). The sponsor of a charter school shall be an advocate for the charter school in matters relating to interpretations of such fire code.
- (c) Any facility, or portion thereof, used to house a charter school whose charter has been approved by the sponsor and the governing board, pursuant to subsection (7), shall be exempt from ad valorem taxes pursuant to s. 196.1983.
- (d) Charter school facilities are exempt from assessments of fees for building permits, except as provided in s. 553.80, and for building licenses and from assessments of impact fees or service availability fees.
- (e) If a district school board facility or property is available because it is surplus, marked for disposal, or

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otherwise unused, it shall be provided for a charter school's use on the same basis as it is made available to other public schools in the district. A charter school receiving property from the school district may not sell or dispose of such property without written permission of the school district. Similarly, for an existing public school converting to charter status, no rental or leasing fee for the existing facility or for the property normally inventoried to the conversion school may be charged by the district school board to the parents and teachers organizing the charter school. The charter organizers shall agree to reasonable maintenance provisions in order to maintain the facility in a manner similar to district school board standards. The Public Education Capital Outlay maintenance funds or any other maintenance funds generated by the facility operated as a conversion school shall remain with the conversion school.

(f) To the extent that charter school facilities are specifically created to mitigate the educational impact created by the development of new residential dwelling units, pursuant to subparagraph (2)(c)4., some of or all of the educational impact fees required to be paid in connection with the new residential dwelling units may be designated instead for the construction of the charter school facilities that will mitigate the student station impact. Such facilities shall be built to the State Requirements for Educational Facilities and shall be owned by a public or nonprofit entity. The local school district retains the right to monitor and inspect such facilities to ensure compliance with the State Requirements for Educational

Facilities. If a facility ceases to be used for public educational purposes, either the facility shall revert to the school district subject to any debt owed on the facility, or the owner of the facility shall have the option to refund all educational impact fees utilized for the facility to the school district. The district and the owner of the facility may contractually agree to another arrangement for the facilities if the facilities cease to be used for educational purposes. The owner of property planned or approved for new residential dwelling units and the entity levying educational impact fees shall enter into an agreement that designates the educational impact fees that will be allocated for the charter school student stations and that ensures the timely construction of the charter school student stations concurrent with the expected occupancy of the residential units. The application for use of educational impact fees shall include an approved charter school application. To assist the school district in forecasting student station needs, the entity levying the impact fees shall notify the affected district of any agreements it has approved for the purpose of mitigating student station impact from the new residential dwelling units.

- (19) CAPITAL OUTLAY FUNDING.--Charter schools are eligible for capital outlay funds pursuant to s. 1013.62.
 - (20) SERVICES.--

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(a) A sponsor shall provide certain administrative and educational services to charter schools. These services shall include contract management services; full-time equivalent and data reporting services; exceptional student education

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administration services; test administration services, including payment of the costs of state-required or district-required student assessments; processing of teacher certificate data services; and information services, including equal access to student information systems that are used by public schools in the district in which the charter school is located. A total administrative fee for the provision of such services shall be calculated based upon 5 percent of the available funds defined in paragraph (17)(b) for all students. However, a sponsor may only withhold a 5-percent administrative fee for enrollment for up to and including 500 students. For charter schools with a population of 501 or more students, the difference between the total administrative fee calculation and the amount of the administrative fee withheld may only be used for capital outlay purposes specified in s. 1013.62(2). Sponsors shall not charge charter schools any additional fees or surcharges for administrative and educational services in addition to the 5percent administrative fee withheld pursuant to this paragraph.

(b) If goods and services are made available to the charter school through the contract with the school district, they shall be provided to the charter school at a rate no greater than the district's actual cost unless mutually agreed upon by the charter school and the sponsor in a contract negotiated separately from the charter. When mediation has failed to resolve disputes over contracted services or contractual matters not included in the charter, an appeal may be made for a dispute resolution hearing before the Charter School Appeal Commission. To maximize the use of state funds,

school districts shall allow charter schools to participate in the sponsor's bulk purchasing program if applicable.

- (c) Transportation of charter school students shall be provided by the charter school consistent with the requirements of subpart I.E. of chapter 1006 and s. 1012.45. The governing body of the charter school may provide transportation through an agreement or contract with the district school board, a private provider, or parents. The charter school and the sponsor shall cooperate in making arrangements that ensure that transportation is not a barrier to equal access for all students residing within a reasonable distance of the charter school as determined in its charter.
- (21) PUBLIC INFORMATION ON CHARTER SCHOOLS.--The Department of Education shall provide information to the public, directly and through sponsors, both on how to form and operate a charter school and on how to enroll in charter schools once they are created. This information shall include a standard application format which shall include the information specified in subsection (7). This application format may be used by chartering entities.
 - (22) STATE BOARD OF EDUCATION AUTHORITY. --
- 1450 (a) The State Board of Education may adopt rules pursuant to ss. 120.536(1) and 120.54 to administer this section.
 - (b) The State Board of Education has authority pursuant to s. 1008.32 to enforce the provisions of this section.
 - (c) The State Board of Education shall ensure that the Department of Education provides or arranges for the provision of the following services:

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1. Assistance to potential charter applicants in identifying available resources and information that would enable the applicant to submit a stronger charter application.

- 2. Assistance to sponsors and charter schools in developing a model charter contract that may be modified to reflect local decisions. Such a model should not impede creativity in delivering the educational program of the charter school. The model should assist charter schools in identifying the services a charter school receives for any administrative assessment and in determining the per-student cost of those services. The model should also address the provision of food service and transportation.
- 3. Assistance to sponsors and charter school in developing a model charter renewal evaluation process that may be modified to reflect individual contracts and local decisions.
- 4. Annual training opportunities for members of charter school governing boards relating to current statutory and financial requirements pertaining to charter schools.
- 5. Annual joint training opportunities for school district personnel whose responsibilities involve working with charter applicants and charter schools and for personnel of charter schools. Such training should include current statutory and financial requirements pertaining to charter schools and other appropriate matters.
 - (22) CHARTER SCHOOL REVIEW PANEL AND LEGISLATIVE REVIEW. --
- (a) The Department of Education shall regularly convene a Charter School Review Panel in order to review issues, practices, and policies regarding charter schools. The

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composition of the review panel shall include individuals with experience in finance, administration, law, education, and school governance, and individuals familiar with charter school construction and operation. The panel shall include two appointees each from the Commissioner of Education, the President of the Senate, and the Speaker of the House of Representatives. The Governor shall appoint three members of the panel and shall designate the chair. Each member of the panel shall serve a 1-year term, unless renewed by the office making the appointment. The panel shall make recommendations to the Legislature, to the Department of Education, to charter schools, and to school districts for improving charter school operations and oversight and for ensuring best business practices at and fair business relationships with charter schools.

- (b) The Legislature shall review the operation of charter schools during the 2005 Regular Session of the Legislature.
- of the annual report required by paragraph (9)(1), the
 Department of Education shall provide to the State Board of
 Education, the Commissioner of Education, the Governor, the
 President of the Senate, and the Speaker of the House of
 Representatives an analysis and comparison of the overall
 performance of charter school students, to include all students
 whose scores are counted as part of the statewide assessment
 program, versus comparable public school students in the
 district as determined by the statewide assessment program
 currently administered in the school district, and other
 assessments administered pursuant to s. 1008.22(3).

(24) FINANCIAL MANAGEMENT. -- The Department of Education must develop a system that includes a comprehensive list of financial-management indicators to be used by sponsors for the early identification of charter schools at greatest risk for financial difficulty. The Department of Education must provide training and technical assistance to charter schools at greatest risk for financial difficulty. The Department of Education must report information on schools identified as at risk for financial difficulty in the past year and the actions that the department and local school district have taken to assist each school in the annual report required by paragraph (9)(m).

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

Section 4. This act shall take effect July 1, 2005, except that subparagraph 3. of paragraph (a) of subsection (5) of section 1002.33, Florida Statutes, as created by this act, shall take effect upon becoming a law.