



## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. HOUSE PRINCIPLES ANALYSIS:

*Provide limited government* – The bill requires the Department of Education (DOE) to staff the Charter School Review Panel and to create a standard charter format and charter renewal format to be used as guidelines by charter school sponsors.

#### B. EFFECT OF PROPOSED CHANGES:

##### Background

The Florida Legislature authorized charter schools in 1996. Since their introduction in 1996, the number of charter schools operating in Florida has grown from 5 to 333.<sup>1</sup> In 1996, the 5 schools served 574 students and in 2005-06 the 333 schools currently serve approximately 92,158 students.<sup>2</sup> The legislative principles guiding Florida charter schools are to meet high standards of student achievement while increasing parental choice within the public school system, align responsibility with accountability, and provide parents with sufficient information relating to their child's reading level and learning gains.<sup>3</sup>

As provided in s. 1002.33, F.S., charter schools are nonsectarian public schools of choice that operate under a performance contract (a charter) with a public sponsor. Under current law, district school boards are the only entities that can sponsor charters, although upon appeal the State Board of Education may decide that the district school board must approve or deny an application.<sup>4</sup> Additionally, four state universities are currently authorized to grant charters and sponsor development research (laboratory) schools created under 1002.32, F.S.<sup>5</sup> The charter is an agreement signed by the governing body of the school and the sponsor that addresses all major issues involving the operation of the charter school including, but not limited to, the school's mission, students served, curriculum, methods of student academic assessment, method for conflict resolution, financial and administrative management, and the term of the charter. Charter schools are often free from many state and local regulations and mandates, but are held accountable to the sponsor that grants their application and to the parents who choose them for the academic and financial performance of the school and its students.

##### Effects of Proposed Changes

###### *Purpose of Charter Schools*

The statutory purpose of charter schools is to improve student learning and academic achievement, increase learning opportunities of all students, create new professional opportunities for teachers, encourage the use of innovative learning methods, and measure learning outcomes.<sup>6</sup> Currently, charter schools may fulfill the following purposes: create innovative measurement tools, provide rigorous competition within the public school district, expand the capacity of the public school system, and mitigate the educational impact created by the development of new residential dwelling units.

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<sup>1</sup> www.floridaschoolchoice.org

<sup>2</sup> *Id.*

<sup>3</sup> FLA. STAT. ch. 1002.33(2)

<sup>4</sup> FLA. STAT. ch. 1002.33(5),(6)

<sup>5</sup> S. 1002.32(2), F.S., provides that for the purpose of state funding, Florida Agricultural and Mechanical University, Florida Atlantic University, Florida State University, and the University of Florida, and other universities approved by the State Board of Education and the Legislature are authorized to sponsor a lab school.

<sup>6</sup> s. 1002.33(2)(b), F.S.

As amended, the bill requires charter schools to improve student learning and academic achievement, increase learning opportunities for all students with emphasis on low-performing students, encourage the use of innovative learning methods, and to require the measurement of learning outcomes. Also, it revises the list of purposes that a charter school may fulfill to include the option of creating new professional opportunities for teachers.

### *Application for Charter Status*

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.<sup>7</sup> 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.<sup>8</sup> The bill clarifies that a public school-within-a-school that is designated as a school by the district school board may also submit an application to convert to charter status.

Under current law, district school boards must notify conversion charter school applicants that their application has been denied within 30 days of the school board meeting denying their application. On the other hand, district school boards only have 10 days after the meeting to notify charter school applicants that their application has been denied. Thus, the bill makes consistent the requirement that district school boards notify both conversion charter school applicants and charter school applicants within 10 days of the meeting denying their application.

### *Sponsor Duties*

Currently, only a district school board may sponsor a charter school in the county where the district school board has jurisdiction.<sup>9</sup> However, 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.<sup>10</sup> Sponsor duties include, but are not limited to, monitoring and reviewing the charter school's progress towards the established goals, monitoring the charter school's revenues and expenditures, and ensuring that the charter school participates in the state's education accountability system.<sup>11</sup>

The bill provides that the sponsor's policies do not apply to charters schools unless they are mutually agreed to by the sponsor and the charter school. Additionally, sponsors must provide charter schools with reasonable and specific justification before imposing additional reporting requirements on charter schools. These provisions provide additional measures to ensure that sponsors do not place unnecessary requirements on charter schools.

### *Application Process and Review*

Section 1002.33(6), F.S., provides for the application process and review of a charter school. A person or entity wishing to open a charter school prepares and submits an application to be considered by a district school board on or before September 1 of each calendar year. Applications are required to be approved or denied by majority vote within 60 calendar days after the application is received, unless the applicant and the district school board mutually agree to postpone the vote to a specific date. If the district school board fails to act on the application then the applicant may appeal to the bill. If the district school board denies an application, the board must notify the applicant in writing and cite specific reasons based upon good cause for denying the application.

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<sup>7</sup> s. 1002.33(3), F.S.

<sup>8</sup> *Id.*

<sup>9</sup> s. 1002.33(5), F.S.

<sup>10</sup> *Id.*

<sup>11</sup> s. 1002.33(5)(b), F.S.

Current law provides charter school applicants with procedures for appeal to the Charter School Appeal Commission if the charter has been denied, not renewed, or terminated or if mediation has failed to resolve disputes over contract negotiations.<sup>12</sup> The Charter School Appeal Commission may receive and review documents forwarded to the SBE, gather other applicable information regarding the appeal, and make a written recommendation to the commissioner. Decisions by the Charter School Appeal Commission are not subject to the provisions of the Administrative Procedures Act. The SBE must consider the commissioner's recommendation; however, the SBE is not bound by the recommendation.

Subsequent to the approval of the charter school application, the DOE is required to provide mediation services for any dispute relating to the charter's provisions and any dispute relating to the approved charter, except for disputes relating to charter school application denials. A dispute, except a dispute pertaining to charter school application denial, may be appealed to an administrative law judge if the Commissioner of Education determines that the dispute cannot be settled through mediation.<sup>13</sup>

The bill provides that beginning with the 2007-2008 school year, the charter school application deadline is changed from September 1 to August 1. Also, in instances where the district school board denies an application, the bill requires the board to provide the applicant and the DOE with supporting documentation stating the specific reason for the denial of the charter application.

The bill clarifies that the SBE's decision is final action subject to judicial review in the district court of appeal and that an administrative law judge may not rule on issues relating to the denial of an application or on issues relating to the termination or nonrenewal of a charter. Also, the bill removes the provision that allows disputes over contract negotiations that have not been resolved through mediation to go before the Charter School Appeal Commission.

The bill directs the DOE to offer training and technical assistance to charter school applicants on issues related to the financial and business side of charter school operation. According to OPPAGA, charter schools face considerable challenges related to start-up and facilities related costs that put charter schools at risk for chronic financial deficits. More specifically, new charter schools may underestimate the high start-up and facilities related costs associated with opening a charter school and are unable to obtain sufficient funds to cover these costs associated with opening.<sup>14</sup> Thus, the bill requires that the assistance offered by the DOE 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.

### *Charter Agreement*

A charter is a written contractual agreement between the sponsor and the charter school's governing board that sets forth the terms and conditions for the operation of a charter school. The initial term of a charter may be 3, 4, or 5 years and is to be renewed every 5 years if the criteria have been successfully accomplished and if none of the grounds for nonrenewal are documented. For easier access to long-term financial resources for facility construction, current law allows a charter school operated by a municipality or other public entity or a charter lab school to be eligible for up to a 15-year charter. However, a charter school that is operated by a private, not-for-profit, s. 501(c)(3) status corporation is only eligible for up to a 10-year charter.

As amended, the bill requires that initial proposed contract be provided to the charter school within 60 days and the applicant and the sponsor then have 75 days thereafter to negotiate the final terms of the contract. It requires the proposed charter to be provided to the charter school at least 7 days prior to the vote of the sponsor. This gives the charter school an opportunity to review the proposed charter

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<sup>12</sup> s. 1002.33(6), F.S.

<sup>13</sup> *Id.*

<sup>14</sup> OPPAGA Report Number 05-11: *Charter School Application Requirements Are Reasonable; Financial Management Problematic*, March 2005, p. 7.

and to ensure that all provisions of the agreement have been codified in the charter. Also, the bill changes the initial charter term to 4 or 5 years and revises the provision so that a charter school operated by a private, not-for-profit, s. 501(c)(3) status corporation is also eligible for up to a 15-year charter.

The bill provides that a charter is to be automatically renewed if the criteria have been successfully accomplished and if none of the grounds for nonrenewal were documented. Additionally, the bill provides that the 15-year charter renewal shall be granted if the school has received a grade of "A" or "B" in 3 of the past 4 years and is not in a state of financial emergency or a deficit financial position.

### *Financial Oversight*

Lack of expertise in education budgeting and finance and with government accounting conventions are additional challenges facing charter schools. Identifying and assisting charter schools with deteriorating financial conditions is challenging without complete, accurate, and timely financial data.<sup>15</sup> According to an OPPAGA report, it is important for the DOE to take a more proactive approach with charter schools in their first years of operation and to have more effective methods to identify and assist charter schools either at risk of financial difficulty or in need of assistance to overcome financial deficit.<sup>16</sup> Furthermore, in the November 1, 2004-October 31, 2005 Florida Auditor General Annual Report<sup>17</sup>, the Auditor General determined that the laws governing charter schools do not contain comparable reporting requirements for charter schools operating with deteriorating financial conditions.<sup>18</sup> Therefore, the Auditor General recommended that, at a minimum, the auditor notify the governing board of the charter school of the deficit financial position and that those charter schools should be required to file a detailed financial recovery plan with the sponsoring district school board.<sup>19</sup>

The bill addresses the OPPAGA findings and the Auditor General recommendations by detailing procedures the charter school, the sponsor, and the charter school governing board must follow when a state of financial emergency exists. The charter is required to specify that the auditors of a charter school whose internal audit or an annual financial audit reveals a state of financial emergency or deficit financial position must notify the charter governing board, the sponsor, and the DOE.<sup>20</sup> The auditor is also required to report, within 7 working days, such findings in the form of an exit interview to the principal or principal administrator of the charter school and the chair of the governing board. Charter schools that are found to be in a state of financial emergency must file a detailed financial recovery plan with the sponsor and the DOE is required to establish guidelines for the development of such plans. The governing board is also required to maintain oversight of the charter school by ensuring an annual audit report is conducted, reviewing and approving the report and monitoring a financial recovery plan, if implemented.

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<sup>15</sup> OPPAGA Report Number 05-11: *Charter School Application Requirements Are Reasonable; Financial Management Problematic*, March 2005, p. 1.

<sup>16</sup> *Id.* at 11. OPPAGA recommended clarifying the Department of Education's role to include the following responsibilities: ensuring that technical assistance is available to charter schools for developing business plans and estimating costs and income is available; ensuring that training and technical assistance is provided for administrators in planning, budget, management, and financial reporting; developing a monitoring system that includes a comprehensive list of financial indicators to be used for the early identification of charter schools at greatest risk for financial difficulty; ensuring that training and technical assistance is provided to charter schools in deteriorating financial conditions; annually reporting schools identified as being at risk for financial difficulties and the actions that have been taken to assist the school; and developing a modified annual financial report for charter schools with additional guidelines for expenditure reporting.

<sup>17</sup> The Auditor General Annual Report Numbers 2005-054 and 2006-034, *Report on Significant Findings and Financial Trends in Charter Schools and Charter Technical Career Center Audit Reports Prepared by Independent CPAs*, November 2004 – October 2005.

<sup>18</sup> FLA. STAT. ch. 219.39(5), requires the auditor of a local governmental entity or district school board to notify each member of the governing board for which deteriorating financial conditions exist that may result in a state of financial emergency as defined by Section 218.503, Florida Statutes.

<sup>19</sup> The Auditor General Annual Report Numbers 2005-054 and 2006-034; OPPAGA at 12.

<sup>20</sup> See s. 218.503, F.S., Determination of financial emergency

### *Nonrenewal or Termination of Charter*

Current law provides that sponsors may choose not to renew or terminate the charter if the charter school fails to participate in the state's education accountability system, fails to meet generally accepted standards of fiscal management, violates a state law, or if other good cause is shown.<sup>21</sup> Sponsors are required to notify the governing body of the school of the proposed action at least 90 days prior to the nonrenewal or termination. The charter school may request, within 14 days after receiving the notice, an informal hearing before the sponsor. The informal hearing must be conducted within 30 days by the sponsor. The charter school's governing board may appeal the sponsor's decision to not renew or terminate within 14 days after receiving the sponsor's decision.

The PCB specifies that a sponsor may choose not to renew, terminate or immediately terminate a charter based on the sponsor's determination that the health, safety, and welfare of the students is threatened rather than for the current law provision of good cause shown. As amended, it also provides the sponsor with the authority to not renew or terminate a charter for material breach or repeated violations of the term of the charter. In the event of nonrenewal, termination, or immediate termination, the bill revises the notification requirements and appeals procedure so that they are consistent with the procedures that a sponsor and an applicant must follow when an application for charter status has been denied.<sup>22</sup>

Currently, when a charter is not renewed or is terminated, the school is dissolved and any unencumbered public funds, except capital outlay funds, from the charter school revert to the district school board. The unencumbered capital outlay funds revert to the DOE for redistribution among eligible schools. The bill revises this provision so that the unencumbered public funds, except capital outlay funds and federal charter school program grant funds, revert to the sponsor when a charter is not renewed or is terminated and the school is dissolved. Likewise, the unencumbered federal charter school program grant funds would revert to the DOE for redistribution among eligible schools.

### *Charter School Requirements*

Charter school requirements include, but are not limited to, the following: charter schools must be nonsectarian in their programs, admission policies, employment practices, and operations; charter schools must be accountable to their sponsors for performance; charter schools must meet all applicable state and local health, safety, and civil rights requirements; charter schools must provide for an annual financial audit; charter schools must maintain all financial records which constitute their accounting system; charter schools' governing boards must annually adopt and maintain an operating budget, exercise continuing oversight on charter school operations, and annually report progress to their sponsor; and charter schools must provide instruction for at least the number of days required by law.<sup>23</sup>

The bill expands the duties of governing boards relating to academic oversight for charter schools that receive a grade of D or F. The director and a representative of the governing board of a charter school that has received a school grade of D are required to appear before the sponsor at least once a year to present information on each contract component having noted deficiencies. The sponsor is also required to communicate at the meeting the services provided to the school to help address the noted deficiencies. The governing body of a charter school that receive a grade of D for 2 consecutive years or a grade of F is required to submit to the sponsor a school improvement plan to raise student achievement. The governing body is required to appear before the sponsor at least once a year to present information on the corrective strategies that are being implement pursuant to the school improvement plan. The bill establishes requirements for the school improvement plan and makes

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<sup>21</sup> s. 1002.33(8), F.S.

<sup>22</sup> see Application for Charter Status on p. 3

<sup>23</sup> S. 1002.33(9), F.S.

available corrective actions that charter school governing boards must follow if there is not an improvement in student performance.

The bill requires the DOE to offer technical assistance and training to the governing board and establish guidelines for developing, submitting, and approving school improvement plans. Also, the DOE is required to develop a uniform, on-line annual accountability report for charter schools to complete. The governing board of the charter school is required to use this standard form to report its annual progress to the Commissioner of Education.

### *Funding of Charter School Student Enrollment*

Currently, students enrolled in a charter school are funded in the same way as all other public school students in the school district. Thus, 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.<sup>24</sup> Current law provides that district school boards are required to make every effort to ensure that charter schools receive timely and efficient reimbursement.<sup>25</sup>

The bill requires the district school boards to make timely and efficient payments and reimbursements to charter schools and allows the Commissioner of Education to withhold lottery funds if districts repeatedly fail to do so. Further, if a warrant for payment is not issued within 10 working days, rather than the current law requirement of 30 working days, after receipt of funding by the district school board then the district school board is required to pay the charter school the amount of the scheduled disbursement and interest at a rate of 5% per month. This changes the interest rate from 1% to 5% per month. Also, the interest rate is calculated on a daily basis on the unpaid balance from the expiration of the 10-day period until the warrant is issued. Increasing the interest rate may influence school district to make timely disbursements.

The bill provides the SBE authority to impose a fine, not to exceed \$10,000, or withhold lottery funds for districts that violate the procedural requirements for charter school application, termination, and non-renewal appeals regardless of whether the violation effects the fairness of the appeal process or the correctness of the action taken by the district. The bill provides for procedural requirements for the imposition of such penalties. However, the SBE is required to provide the district with notice of the proposed fine and the opportunity to be heard at a subsequent meeting of the SBE prior to the imposition of the fine or withholding of lottery funds.

### *Facilities*

The bill clarifies that a start-up charter school, not the current law requirement of a charter school, is required to utilize facilities that comply with the Florida Building Code<sup>26</sup> except for the State Requirements for Educational Facilities (SREF). The bill requires conversion charter schools to comply with SREF if the district and the charter school have entered into a mutual management plan with sufficient funding from the district to comply with SREF.

Current law provides that any facility or a portion of the facility that is used to house an approved charter school is exempt from ad valorem taxes pursuant to s. 196.1983.<sup>27</sup> The bill specifies that the following facilities may provide space to charter schools within their facilities under their preexisting zoning and land use designations: libraries, community service facilities, museums, performing arts facilities, theatres, cinemas, churches, community colleges, colleges, and universities.

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<sup>24</sup> s. 1002.33(17), F.S.

<sup>25</sup> s. 1002.33(17)(d), F.S.

<sup>26</sup> Pursuant to chapter 533.

<sup>27</sup> s. 1002.33(18)(c), F.S.

Current law provides that charter school facilities are exempt from assessments of fees for building permits and licenses and impact fees or service availability fees.<sup>28</sup> The bill provides that charter school facilities are also exempt from payment of fees for occupational licenses.

The bill requires school districts to annually provide as part of their 5 year workplan the number of existing vacant classrooms in each school that the district does not intend to use or does not project will be needed for educational purposes the following school year. The DOE may recommend that the district make such space available to an appropriate charter school.

Any facility or property of the district school board that becomes available because it is surplus, marked for disposal, or otherwise unused is made available to the charter school on the same basis as it is made available to other public schools in the district.<sup>29</sup> The bill provides that the charter school, not the charter organizer, is required to agree to reasonable maintenance provisions that ensure that the facility is maintained in a manner similar to district school board standards.

### *Services*

Currently, 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, and information services.<sup>30</sup> 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.

The bill provides for food service eligibility and reporting duties so that the school lunch services under the federal lunch program are provided by the school district to the charter school at the school's request. As amended, the bill clarifies that sponsors are required to provide charter schools the performance data for each student in their school in the same manner provided to other public schools in the district. The bill allows school districts to withhold 5% or less of the administrative fee.

### *Public Information on Charter Schools*

The DOE is required to provide information directly to the public and through sponsors regarding how to form and operate a charter school and how to enroll in a charter school.<sup>31</sup> The bill provides that in addition to the standard application format, the DOE is required to create a standard charter format and standard charter renewal format that are to be used as guidelines by charter school sponsors.

### *Charter School Review Panel and Legislative Review*

The bill provides that the DOE is required to staff and regularly convene a Charter School Review Panel to review issues, practices, and policies relating to charter schools. The bill requires a review of the operation of charter schools during the 2010 Regular Session of the Legislature.

### *Personnel*

Beginning July 1, 2007, the bill provides for educator professional liability coverage for all full-time charter school instructional personnel, requires that educator professional liability coverage be extended at cost to all part-time charter school instructional personnel, and requires that educator professional liability coverage be extended at cost to all administrative personnel.

### *Student Preference*

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<sup>28</sup> Exemption from assessment of fees for building permits except as provided in s. 553.80, F.S.

<sup>29</sup> s. 1002.33(18)(f), F.S.

<sup>30</sup> s. 1002.33(20), F.S.

<sup>31</sup> s. 1002.33(21), F.S.



The bill eliminates the priority given to transitioning students from military families on admission to charter schools.

C. SECTION DIRECTORY:

- Section 1. Amends s. 1002.33, F.S., relating to charter schools; revising the purpose of charter schools; revising the charter school application process and sponsor duties; requiring the DOE to provide technical assistance to charter school applicants; revising provisions relating to charter agreement, including nonrenewal or termination of charter; revising charter school requirements, including procedural requirements for charter schools found to be in a state of financial emergency; revising duties of charter school governing boards; providing procedures for charter schools to raise student achievement; revising provisions relating to funding of charter school student enrollment; authorizing zoning and land use designations; revising exemptions; revising provisions relating to services and the administrative fee requirement.
- Section 2. Amends s. 218.39, F.S., adding references relating to charter schools and annual financial audit reports.
- Section 3. Amends s. 218.50, F.S., revising the short title of ss. 218.50-218.504, F.S., to include charter schools.
- Section 4. Amends s. 218.501, F.S., adding a charter school reference.
- Section 5. Amends s. 218.503, F.S., adding references relating to charter schools and the determination of financial emergency.
- Section 6. Amends s. 218.504, F.S., adding references relating to charter schools and the cessation of state action.
- Section 7. Amends s. 11.45, F.S., conforming provisions relating to charter schools.
- Section 8. Amends s. 1003.05, F.S., removing charter school reference from assistance to transitioning students from military families.
- Section 9. Amends s. 1012.74, F.S., requiring educator professional liability insurance to cover charter school personnel.
- Section 10. Provides for an effective date.

**II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT**

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

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

2. Expenditures:

See FISCAL COMMENTS.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

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

2. Expenditures:

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

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

The DOE is required to staff the Charter School Review Panel and to create a uniform on-line accountability report for charter schools, and a standard charter format and charter renewal format. The estimated administrative costs of these requirements are indeterminate at this time.

The bill provides for food service eligibility and reporting duties so that the school lunch services under the federal lunch program are provided by the school district to the charter school at the school's request. The additional cost to school districts to provide these services are indeterminate but believed to be small.

The bill requires school districts to annually provide as part of their 5 year workplan the number of existing vacant classrooms in each school that the district does not project will be needed for the following year. The DOE may recommend that the district make such space available to an appropriate charter school. It is likely that a charter school agreement to use excess classrooms would result in the district recovering additional costs associated with the use of the classrooms. Additional costs to the district, if any, are indeterminate but believed to be small.

### III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

The bill does not require a city or county to expend funds or to take any action requiring the expenditure of funds.

The bill does not reduce the authority that municipalities or counties have to raise revenues in the aggregate.

This bill does not reduce the percentage of state tax shared with counties or municipalities.

2. Other:

None

B. RULE-MAKING AUTHORITY:

This bill does not create any rulemaking authority.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

#### IV. AMENDMENTS/COMMITTEE SUBSTITUTE & COMBINED BILL CHANGES

On March 7, 2006, the Choice and Innovation Committee adopted seven amendments and reported the bill favorably as amended. The amendments did the following:

**Amendment 1** – Clarifies that sponsors are required to provide charter schools the student performance data for each student in their charter school in the same manner provided to other public schools in the district.

**Amendment 2** – Restores the current law requirement that charter schools must require the measurement of learning outcomes.

**Amendment 3** – Technical change to conform to Amendment 3.

**Amendment 4** – Revises the length of time that charter school applicants and sponsors have to negotiate the provisions of the final charter contract.

**Amendment 5** – Changes the initial term of the contract to 4 or 5 years.

**Amendment 6** – Provides that the sponsor may not renew or terminate a contract for material breach or repeated violations of the terms of the charter.

**Amendment 7** – Clarifies that the Commissioner of Education may withhold lottery fund from school districts for repeatedly failing to make timely and efficient payments to charter schools.

This analysis is drawn to the bill as amended.

On Tuesday April 11, 2006, the Education Appropriations Committee adopted four amendments and reported the bill favorably as amended. The amendments did the following:

**Amendment 1** – Deletes a revision that would have allowed lab schools to earn student transportation funding.

**Amendment 2** – Deletes a revision to charter school capital outlay funding.

**Amendment 3** – Requires school districts to annually provide as part of their 5 year workplan the number of existing vacant classrooms in each school that the district does not project will be needed for the following school year. The DOE may recommend that the district make such space available to an appropriate charter school.

**Amendment 4** – Deletes a revision that would have required districts to provide charter schools exceptional student education evaluation services.

This analysis is drawn to the bill as amended.