

1                   A bill to be entitled  
2           An act relating to charter schools; amending s. 1002.33,  
3           F.S.; revising charter school purposes; modifying  
4           provisions relating to duties of sponsors, the application  
5           process, denial of an application, and review of appeals;  
6           requiring the Department of Education to provide technical  
7           assistance to charter school applicants; providing  
8           requirements relating to charter contracts; providing  
9           procedures when a state of financial emergency exists;  
10          revising provisions relating to charter terms and renewal;  
11          revising nonrenewal and termination provisions, including  
12          procedures for immediate termination; revising provisions  
13          relating to the reversion of funds; revising duties of a  
14          charter school governing body relating to audits;  
15          requiring the department to develop a uniform  
16          accountability report; providing procedures with respect  
17          to charter schools with deficiencies; requiring a school  
18          improvement plan to raise student achievement; providing  
19          for probation and corrective actions; revising provisions  
20          relating to payment and reimbursement to a charter school  
21          by a school district and authorizing the withholding of  
22          lottery funds under certain circumstances; authorizing the  
23          State Board of Education to impose a fine on or withhold  
24          lottery funds from a school district for certain  
25          violations; requiring conversion charter schools to comply  
26          with certain facility requirements under specific  
27          situations; authorizing certain zoning and land use  
28          designations for certain charter school facilities;

29 | revising exemption from assessment of fees; providing for  
30 | additional services to charter schools and revising  
31 | administrative fee requirements; requiring the department  
32 | to develop a standard format for applications, charters,  
33 | and charter renewals; requiring legislative review of  
34 | charter schools in 2010; amending s. 218.39, F.S.;  
35 | requiring the governing body of a charter school to be  
36 | notified of certain deteriorating financial conditions;  
37 | amending s. 218.50, F.S.; modifying a short title;  
38 | amending s. 218.501, F.S.; including charter schools in  
39 | the statement of purpose relating to financial management;  
40 | amending s. 218.503, F.S.; providing for charter schools  
41 | to be subject to provisions governing financial  
42 | emergencies; providing procedures; amending s. 218.504,  
43 | F.S.; providing for cessation of state action related to a  
44 | state of financial emergency; amending s. 11.45, F.S.;  
45 | conforming provisions; amending s. 1002.32, F.S.;  
46 | providing that a charter lab school that elects to provide  
47 | student transportation is eligible for funding for that  
48 | purpose; amending s. 1003.05, F.S.; modifying the list of  
49 | special academic programs for transitioning students from  
50 | military families; amending s. 1012.74, F.S.; providing  
51 | that educator professional liability insurance shall cover  
52 | charter school personnel; amending s. 1013.62, F.S.;  
53 | revising provisions relating to eligibility for and  
54 | allocation of charter school capital outlay funding;  
55 | revising purposes for which capital outlay funds may be  
56 | used; providing effective dates.

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

Section 1. 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.--

(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

85 special emphasis on low-performing students and reading.

86 ~~3. Create new professional opportunities for teachers,~~  
 87 ~~including ownership of the learning program at the school site.~~

88 ~~3.4.~~ Encourage the use of innovative learning methods.

89 ~~4.5.~~ Require the measurement of learning outcomes.

90 (c) Charter schools may fulfill the following purposes:

91 1. Create innovative measurement tools.

92 2. Provide rigorous competition within the public school  
 93 district to stimulate continual improvement in all public  
 94 schools.

95 3. Expand the capacity of the public school system.

96 4. Mitigate the educational impact created by the  
 97 development of new residential dwelling units.

98 5. Create new professional opportunities for teachers,  
 99 including ownership of the learning program at the school site.

100 (3) APPLICATION FOR CHARTER STATUS.--

101 (a) An application for a new charter school may be made by  
 102 an individual, teachers, parents, a group of individuals, a  
 103 municipality, or a legal entity organized under the laws of this  
 104 state.

105 (b) An application for a conversion charter school shall  
 106 be made by the district school board, the principal, teachers,  
 107 parents, and/or the school advisory council at an existing  
 108 public school that has been in operation for at least 2 years  
 109 prior to the application to convert.,~~including~~ A public school-  
 110 within-a-school that is designated as a school by the district  
 111 school board may also submit an application to convert to  
 112 charter status. An application submitted proposing to convert an

113 existing public school to a charter school shall demonstrate the  
 114 support of at least 50 percent of the teachers employed at the  
 115 school and 50 percent of the parents voting whose children are  
 116 enrolled at the school, provided that a majority of the parents  
 117 eligible to vote participate in the ballot process, according to  
 118 rules adopted by the State Board of Education. A district school  
 119 board denying an application for a conversion charter school  
 120 shall provide notice of denial to the applicants in writing  
 121 within 10 ~~30~~ days after the meeting at which the district school  
 122 board denied the application. The notice must articulate in  
 123 writing ~~specify~~ the specific ~~exact~~ reasons for denial and must  
 124 provide documentation supporting those reasons. A private  
 125 school, parochial school, or home education program shall not be  
 126 eligible for charter school status.

127 (4) UNLAWFUL REPRISAL.--

128 (a) No district school board, or district school board  
 129 employee who has control over personnel actions, shall take  
 130 unlawful reprisal against another district school board employee  
 131 because that employee is either directly or indirectly involved  
 132 with an application to establish a charter school. As used in  
 133 this subsection, the term "unlawful reprisal" means an action  
 134 taken by a district school board or a school system employee  
 135 against an employee who is directly or indirectly involved in a  
 136 lawful application to establish a charter school, which occurs  
 137 as a direct result of that involvement, and which results in one  
 138 or more of the following: disciplinary or corrective action;  
 139 adverse transfer or reassignment, whether temporary or  
 140 permanent; suspension, demotion, or dismissal; an unfavorable

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141 performance evaluation; a reduction in pay, benefits, or  
142 rewards; elimination of the employee's position absent of a  
143 reduction in workforce as a result of lack of moneys or work; or  
144 other adverse significant changes in duties or responsibilities  
145 that are inconsistent with the employee's salary or employment  
146 classification. The following procedures shall apply to an  
147 alleged unlawful reprisal that occurs as a consequence of an  
148 employee's direct or indirect involvement with an application to  
149 establish a charter school:

150 1. Within 60 days after the date upon which a reprisal  
151 prohibited by this subsection is alleged to have occurred, an  
152 employee may file a complaint with the Department of Education.

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

159 3. If the Department of Education determines that the  
160 complaint demonstrates reasonable cause to suspect that an  
161 unlawful reprisal has occurred, the Department of Education  
162 shall conduct an investigation to produce a fact-finding report.

163 4. Within 90 days after receiving the complaint, the  
164 Department of Education shall provide the district school  
165 superintendent of the complainant's district and the complainant  
166 with a fact-finding report that may include recommendations to  
167 the parties or a proposed resolution of the complaint. The fact-  
168 finding report shall be presumed admissible in any subsequent or

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169 related administrative or judicial review.

170 5. If the Department of Education determines that  
171 reasonable grounds exist to believe that an unlawful reprisal  
172 has occurred, is occurring, or is to be taken, and is unable to  
173 conciliate a complaint within 60 days after receipt of the fact-  
174 finding report, the Department of Education shall terminate the  
175 investigation. Upon termination of any investigation, the  
176 Department of Education shall notify the complainant and the  
177 district school superintendent of the termination of the  
178 investigation, providing a summary of relevant facts found  
179 during the investigation and the reasons for terminating the  
180 investigation. A written statement under this paragraph is  
181 presumed admissible as evidence in any judicial or  
182 administrative proceeding.

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

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193 It shall be an affirmative defense to any action brought  
194 pursuant to this section that the adverse action was predicated  
195 upon grounds other than, and would have been taken absent, the  
196 employee's exercise of rights protected by this section.

197 (b) In any action brought under this section for which it  
 198 is determined reasonable grounds exist to believe that an  
 199 unlawful reprisal has occurred, is occurring, or is to be taken,  
 200 the relief shall include the following:

201 1. Reinstatement of the employee to the same position held  
 202 before the unlawful reprisal was commenced, or to an equivalent  
 203 position, or payment of reasonable front pay as alternative  
 204 relief.

205 2. Reinstatement of the employee's full fringe benefits  
 206 and seniority rights, as appropriate.

207 3. Compensation, if appropriate, for lost wages, benefits,  
 208 or other lost remuneration caused by the unlawful reprisal.

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

212 5. Issuance of an injunction, if appropriate, by a court  
 213 of competent jurisdiction.

214 6. Temporary reinstatement to the employee's former  
 215 position or to an equivalent position, pending the final outcome  
 216 of the complaint, if it is determined that the action was not  
 217 made in bad faith or for a wrongful purpose, and did not occur  
 218 after a district school board's initiation of a personnel action  
 219 against the employee that includes documentation of the  
 220 employee's violation of a disciplinary standard or performance  
 221 deficiency.

222 (5) SPONSOR; DUTIES.--

223 (a) Sponsoring entities.--

224 1. A district school board may sponsor a charter school in



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225 the county over which the district school board has  
226 jurisdiction.

227 2. A state university may grant a charter to a lab school  
228 created under s. 1002.32 and shall be considered to be the  
229 school's sponsor. Such school shall be considered a charter lab  
230 school.

231 (b) Sponsor duties.--

232 1. The sponsor shall monitor and review the charter school  
233 in its progress toward the goals established in the charter.

234 2. The sponsor shall monitor the revenues and expenditures  
235 of the charter school.

236 3. The sponsor may approve a charter for a charter school  
237 before the applicant has secured space, equipment, or personnel,  
238 if the applicant indicates approval is necessary for it to raise  
239 working funds ~~capital~~.

240 4. The sponsor's policies shall not apply to a charter  
241 school unless mutually agreed to by both the sponsor and the  
242 charter school.

243 5. The sponsor shall ensure that the charter is innovative  
244 and consistent with the state education goals established by s.  
245 1000.03(5).

246 6. The sponsor shall ensure that the charter school  
247 participates in the state's education accountability system. If  
248 a charter school falls short of performance measures included in  
249 the approved charter, the sponsor shall report such shortcomings  
250 to the Department of Education.

251 7. The sponsor shall not impose additional reporting  
252 requirements on a charter school without providing reasonable

253 and specific justification in writing to the charter school.

254  
 255 A community college may work with the school district or school  
 256 districts in its designated service area to develop charter  
 257 schools that offer secondary education. These charter schools  
 258 must include an option for students to receive an associate  
 259 degree upon high school graduation. District school boards shall  
 260 cooperate with and assist the community college on the charter  
 261 application. Community college applications for charter schools  
 262 are not subject to the time deadlines outlined in subsection (6)  
 263 and may be approved by the district school board at any time  
 264 during the year. Community colleges shall not report FTE for any  
 265 students who receive FTE funding through the Florida Education  
 266 Finance Program.

267 (6) APPLICATION PROCESS AND REVIEW.--Charter school  
 268 ~~Beginning September 1, 2003,~~ applications are subject to the  
 269 following requirements:

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

272 1. Demonstrates how the school will use the guiding  
 273 principles and meet the statutorily defined purpose of a charter  
 274 school.

275 2. Provides a detailed curriculum plan that illustrates  
 276 how students will be provided services to attain the Sunshine  
 277 State Standards.

278 3. Contains goals and objectives for improving student  
 279 learning and measuring that improvement. These goals and  
 280 objectives must indicate how much academic improvement students

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281 are expected to show each year, how success will be evaluated,  
282 and the specific results to be attained through instruction.

283 4. Describes the reading curriculum and differentiated  
284 strategies that will be used for students reading at grade level  
285 or higher and a separate curriculum and strategies for students  
286 who are reading below grade level. A sponsor shall deny a  
287 charter if the school does not propose a reading curriculum that  
288 is consistent with effective teaching strategies that are  
289 grounded in scientifically based reading research.

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

296 (b) A district school board shall receive and review all  
297 applications for a charter school. Beginning with the 2007-2008  
298 school year, a district school board shall receive and consider  
299 charter school applications received on or before August  
300 ~~September~~ 1 of each calendar year for charter schools to be  
301 opened at the beginning of the school district's next school  
302 year, or to be opened at a time agreed to by the applicant and  
303 the district school board. A district school board may receive  
304 applications later than this date if it chooses. A sponsor may  
305 not charge an applicant for a charter any fee for the processing  
306 or consideration of an application, and a sponsor may not base  
307 its consideration or approval of an application upon the promise  
308 of future payment of any kind.

309           1. In order to facilitate an accurate budget projection  
310 process, a district school board shall be held harmless for FTE  
311 students who are not included in the FTE projection due to  
312 approval of charter school applications after the FTE projection  
313 deadline. In a further effort to facilitate an accurate budget  
314 projection, within 15 calendar days after receipt of a charter  
315 school application, a district school board or other sponsor  
316 shall report to the Department of Education the name of the  
317 applicant entity, the proposed charter school location, and its  
318 projected FTE.

319           2. In order to ensure fiscal responsibility, an  
320 application for a charter school shall include a full accounting  
321 of expected assets, a projection of expected sources and amounts  
322 of income, including income derived from projected student  
323 enrollments and from community support, and an expense  
324 projection that includes full accounting of the costs of  
325 operation, including start-up costs.

326           3. A district school board shall by a majority vote  
327 approve or deny an application no later than 60 calendar days  
328 after the application is received, unless the district school  
329 board and the applicant mutually agree in writing to temporarily  
330 postpone the vote to a specific date, at which time the district  
331 school board shall by a majority vote approve or deny the  
332 application. If the district school board fails to act on the  
333 application, an applicant may appeal to the State Board of  
334 Education as provided in paragraph (c). If an application is  
335 denied, the district school board shall, within 10 calendar  
336 days, articulate in writing the specific reasons for ~~based upon~~

337 ~~good cause supporting~~ its denial of the charter application and  
338 shall provide the letter of denial and supporting documentation  
339 to the applicant and to the Department of Education supporting  
340 those reasons.

341 4. For budget projection purposes, the district school  
342 board or other sponsor shall report to the Department of  
343 Education the approval or denial of a charter application within  
344 10 calendar days after such approval or denial. In the event of  
345 approval, the report to the Department of Education shall  
346 include the final projected FTE for the approved charter school.

347 5. Upon approval of a charter application, the initial  
348 startup shall commence with the beginning of the public school  
349 calendar for the district in which the charter is granted unless  
350 the sponsor ~~district school board~~ allows a waiver of this  
351 provision for good cause.

352 (c) An applicant may appeal any denial of that applicant's  
353 application or failure to act on an application to the State  
354 Board of Education no later than 30 calendar days after receipt  
355 of the district school board's decision or failure to act and  
356 shall notify the district school board of its appeal. Any  
357 response of the district school board shall be submitted to the  
358 State Board of Education within 30 calendar days after  
359 notification of the appeal. Upon receipt of notification from  
360 the State Board of Education that a charter school applicant is  
361 filing an appeal, the Commissioner of Education shall convene a  
362 meeting of the Charter School Appeal Commission to study and  
363 make recommendations to the State Board of Education regarding  
364 its pending decision about the appeal. The commission shall

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365 forward its recommendation to the state board no later than 7  
366 calendar days prior to the date on which the appeal is to be  
367 heard. The State Board of Education shall by majority vote  
368 accept or reject the decision of the district school board no  
369 later than 90 calendar days after an appeal is filed in  
370 accordance with State Board of Education rule. The Charter  
371 School Appeal Commission may reject an appeal submission for  
372 failure to comply with procedural rules governing the appeals  
373 process. The rejection shall describe the submission errors. The  
374 appellant may have up to 15 calendar days from notice of  
375 rejection to resubmit an appeal that meets requirements of State  
376 Board of Education rule. An application for appeal submitted  
377 subsequent to such rejection shall be considered timely if the  
378 original appeal was filed within 30 calendar days after receipt  
379 of notice of the specific reasons for the district school  
380 board's denial of the charter application. The State Board of  
381 Education shall remand the application to the district school  
382 board with its written decision that the district school board  
383 approve or deny the application. The district school board shall  
384 implement the decision of the State Board of Education. The  
385 decision of the State Board of Education is not subject to the  
386 provisions of the Administrative Procedure Act, chapter 120.

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

392 (e)1. A Charter School Appeal Commission is established to

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393 assist the commissioner and the State Board of Education with a  
394 fair and impartial review of appeals by applicants whose charter  
395 applications have been denied, whose charter contracts have not  
396 been renewed, or whose charter contracts have been terminated by  
397 their sponsors, ~~or whose disputes over contract negotiations~~  
398 ~~have not been resolved through mediation.~~

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

413         3. The commissioner shall appoint the members of the  
414 Charter School Appeal Commission. Members shall serve without  
415 compensation but may be reimbursed for travel and per diem  
416 expenses in conjunction with their service. One-half of the  
417 members must represent currently operating charter schools, and  
418 one-half of the members must represent school districts. The  
419 commissioner or a named designee shall chair the Charter School  
420 Appeal Commission.

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421           4. The chair shall convene meetings of the commission and  
422 shall ensure that the written recommendations are completed and  
423 forwarded in a timely manner. In cases where the commission  
424 cannot reach a decision, the chair shall make the written  
425 recommendation with justification, noting that the decision was  
426 rendered by the chair.

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

445           (f) The Department of Education shall offer or arrange for  
446 training and technical assistance to charter school applicants  
447 in developing business plans and estimating costs and income.  
448 This assistance shall address estimating startup costs,



449 projecting enrollment, and identifying the types and amounts of  
450 state and federal financial assistance the charter school will  
451 be eligible to receive. The department ~~of Education~~ may provide  
452 other technical assistance to an applicant upon written request.

453 (g) In considering charter applications for a lab school,  
454 a state university shall consult with the district school board  
455 of the county in which the lab school is located. The decision  
456 of a state university may be appealed pursuant to the procedure  
457 established in this subsection.

458 (h) The terms and conditions for the operation of a  
459 charter school shall be set forth by the sponsor and the  
460 applicant in a written contractual agreement, called a charter.  
461 The sponsor shall not impose unreasonable rules or regulations  
462 that violate the intent of giving charter schools greater  
463 flexibility to meet educational goals. The applicant and sponsor  
464 shall have 60 days to provide an initial proposed charter  
465 contract to the charter school and 75 days thereafter to  
466 negotiate the contract and ~~6 months in which~~ to mutually agree  
467 to the provisions of the final charter contract. The proposed  
468 charter shall be provided to the charter school at least 7  
469 calendar days prior to the date on which the charter is  
470 scheduled to be heard by the sponsor. The Department of  
471 Education shall provide mediation services for any dispute  
472 regarding this section subsequent to the approval of a charter  
473 application and for any dispute relating to the approved  
474 charter, except disputes regarding charter school application  
475 denials. If the Commissioner of Education determines that the  
476 dispute cannot be settled through mediation, the dispute may be

477 appealed to an administrative law judge appointed by the  
 478 Division of Administrative Hearings. The administrative law  
 479 judge may rule on issues of equitable treatment of the charter  
 480 school as a public school, whether proposed provisions of the  
 481 charter violate the intended flexibility granted charter schools  
 482 by statute, or on any other matter regarding this section except  
 483 a charter school application denial, a charter termination, or a  
 484 charter nonrenewal and shall award the prevailing party  
 485 reasonable attorney's fees and costs incurred to be paid by the  
 486 losing party. The costs of the administrative hearing shall be  
 487 paid by the party whom the administrative law judge rules  
 488 against.

489 (7) CHARTER.--The major issues involving the operation of  
 490 a charter school shall be considered in advance and written into  
 491 the charter. The charter shall be signed by the governing body  
 492 of the charter school and the sponsor, following a public  
 493 hearing to ensure community input.

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

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

498 2. The focus of the curriculum, the instructional methods  
 499 to be used, any distinctive instructional techniques to be  
 500 employed, and identification and acquisition of appropriate  
 501 technologies needed to improve educational and administrative  
 502 performance which include a means for promoting safe, ethical,  
 503 and appropriate uses of technology which comply with legal and  
 504 professional standards. The charter shall ensure that reading is

505 a primary focus of the curriculum and that resources are  
506 provided to identify and provide specialized instruction for  
507 students who are reading below grade level. The curriculum and  
508 instructional strategies for reading must be consistent with the  
509 Sunshine State Standards and grounded in scientifically based  
510 reading research.

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

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

518 b. How these baseline rates will be compared to rates of  
519 academic progress achieved by these same students while  
520 attending the charter school.

521 c. To the extent possible, how these rates of progress  
522 will be evaluated and compared with rates of progress of other  
523 closely comparable student populations.

524

525 The district school board is required to provide academic  
526 student performance data to charter schools for each of their  
527 students coming from the district school system, as well as  
528 rates of academic progress of comparable student populations in  
529 the district school system.

530 4. The methods used to identify the educational strengths  
531 and needs of students and how well educational goals and  
532 performance standards are met by students attending the charter

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533 school. Included in the methods is a means for the charter  
534 school to ensure accountability to its constituents by analyzing  
535 student performance data and by evaluating the effectiveness and  
536 efficiency of its major educational programs. Students in  
537 charter schools shall, at a minimum, participate in the  
538 statewide assessment program created under s. 1008.22.

539 5. In secondary charter schools, a method for determining  
540 that a student has satisfied the requirements for graduation in  
541 s. 1003.43.

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

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

546 8. The ways by which the school will achieve a  
547 racial/ethnic balance reflective of the community it serves or  
548 within the racial/ethnic range of other public schools in the  
549 same school district.

550 9. The financial and administrative management of the  
551 school, including a reasonable demonstration of the professional  
552 experience or competence of those individuals or organizations  
553 applying to operate the charter school or those hired or  
554 retained to perform such professional services and the  
555 description of clearly delineated responsibilities and the  
556 policies and practices needed to effectively manage the charter  
557 school. A description of internal audit procedures and  
558 establishment of controls to ensure that financial resources are  
559 properly managed must be included. Both public sector and  
560 private sector professional experience shall be equally valid in

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561 such a consideration.

562 10. The asset and liability projections required in the  
563 application which are incorporated into the charter and which  
564 shall be compared with information provided in the annual report  
565 of the charter school. The charter shall ensure that, if a  
566 charter school internal audit or annual financial audit reveals  
567 a state of financial emergency as defined in s. 218.503 or  
568 deficit financial position, the auditors are required to notify  
569 the charter school governing board, the sponsor, and the  
570 Department of Education. The internal auditor shall report such  
571 findings in the form of an exit interview to the principal or  
572 the principal administrator of the charter school and the chair  
573 of the governing board within 7 working days after finding the  
574 state of financial emergency or deficit position. A final report  
575 shall be provided to the entire governing board, the sponsor,  
576 and the Department of Education within 14 working days after the  
577 exit interview. When a charter school is in a state of financial  
578 emergency, the charter school shall file a detailed financial  
579 recovery plan with the sponsor. The department, with the  
580 involvement of both sponsors and charter schools, shall  
581 establish guidelines for developing such plans.

582 11. A description of procedures that identify various  
583 risks and provide for a comprehensive approach to reduce the  
584 impact of losses; plans to ensure the safety and security of  
585 students and staff; plans to identify, minimize, and protect  
586 others from violent or disruptive student behavior; and the  
587 manner in which the school will be insured, including whether or  
588 not the school will be required to have liability insurance,

589 and, if so, the terms and conditions thereof and the amounts of  
 590 coverage.

591 12. The term of the charter which shall provide for  
 592 cancellation of the charter if insufficient progress has been  
 593 made in attaining the student achievement objectives of the  
 594 charter and if it is not likely that such objectives can be  
 595 achieved before expiration of the charter. The initial term of a  
 596 charter shall be for ~~3~~<sup>4</sup> or 5 years. In order to facilitate  
 597 access to long-term financial resources for charter school  
 598 construction, charter schools that are operated by a  
 599 municipality or other public entity as provided by law are  
 600 eligible for up to a 15-year charter, subject to approval by the  
 601 district school board. A charter lab school is eligible for a  
 602 charter for a term of up to 15 years. In addition, to facilitate  
 603 access to long-term financial resources for charter school  
 604 construction, charter schools that are operated by a private,  
 605 not-for-profit, s. 501(c)(3) status corporation are eligible for  
 606 up to a 15-year ~~10-year~~ charter, subject to approval by the  
 607 district school board. Such long-term charters remain subject to  
 608 annual review and may be terminated during the term of the  
 609 charter, but only ~~for specific good cause~~ according to the  
 610 provisions set forth in subsection (8).

611 13. The facilities to be used and their location.

612 14. The qualifications to be required of the teachers and  
 613 the potential strategies used to recruit, hire, train, and  
 614 retain qualified staff to achieve best value.

615 15. The governance structure of the school, including the  
 616 status of the charter school as a public or private employer as

617 required in paragraph (12) (i).

618       16. A timetable for implementing the charter which  
 619 addresses the implementation of each element thereof and the  
 620 date by which the charter shall be awarded in order to meet this  
 621 timetable.

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

633       (b)1. A charter may be renewed ~~every 5 school years,~~  
 634 provided that a program review demonstrates that the criteria in  
 635 paragraph (a) have been successfully accomplished and that none  
 636 of the grounds for nonrenewal established by paragraph (8) (a)  
 637 has been documented. In order to facilitate long-term financing  
 638 for charter school construction, charter schools operating for a  
 639 minimum of 2 years and demonstrating exemplary academic  
 640 programming and fiscal management are eligible for a 15-year  
 641 charter renewal. Such long-term charter is subject to annual  
 642 review and may be terminated during the term of the charter.

643       2. The 15-year charter renewal that may be granted  
 644 pursuant to subparagraph 1. shall be granted to a charter school

645 that has received a school grade of "A" or "B" pursuant to s.  
 646 1008.34 in 3 of the past 4 years and is not in a state of  
 647 financial emergency or deficit position as defined by this  
 648 section. Such long-term charter is subject to annual review and  
 649 may be terminated during the term of the charter pursuant to  
 650 subsection (8).

651 (c) A charter may be modified during its initial term or  
 652 any renewal term upon the recommendation of the sponsor or the  
 653 charter school governing board and the approval of both parties  
 654 to the agreement.

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

656 (a) ~~At the end of the term of a charter,~~ The sponsor may  
 657 choose not to renew or may terminate the charter for any of the  
 658 following grounds:

659 1. Failure to participate in the state's education  
 660 accountability system created in s. 1008.31, as required in this  
 661 section, or failure to meet the requirements for student  
 662 performance stated in the charter.

663 2. Failure to meet generally accepted standards of fiscal  
 664 management.

665 3. Violation of law.

666 4. Determination by the sponsor that the health, safety,  
 667 or welfare of the students is threatened ~~Other good cause shown.~~

668 5. Material breach or repeated violations of the terms of  
 669 the charter.

670 ~~(b) During the term of a charter, the sponsor may~~  
 671 ~~terminate the charter for any of the grounds listed in paragraph~~  
 672 ~~(a).~~



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673        ~~(b)(e)~~ At least 90 days prior to renewing or terminating a  
674 charter, the sponsor shall notify the governing body of the  
675 school of the proposed action in writing. The notice shall state  
676 in reasonable detail the grounds for the proposed action and  
677 stipulate that the school's governing body may, within 14  
678 calendar days after receiving the notice, request an informal  
679 hearing before the sponsor. The sponsor shall conduct the  
680 informal hearing within 30 calendar days after receiving a  
681 written request. ~~The charter school's governing body may, within~~  
682 ~~14 calendar days after receiving the sponsor's decision to~~  
683 ~~terminate or refuse to renew the charter, appeal the decision~~  
684 ~~pursuant to the procedure established in subsection (6).~~

685        (c) If a charter is not renewed or is terminated pursuant  
686 to paragraph (b), the sponsor shall, within 10 calendar days,  
687 articulate in writing the specific reasons for its nonrenewal or  
688 termination of the charter and must provide the letter of  
689 nonrenewal or termination and documentation supporting the  
690 reasons to the charter school governing body, the charter school  
691 principal, and the Department of Education. The charter school's  
692 governing body may, within 30 calendar days after receiving the  
693 sponsor's final written decision to refuse to renew or to  
694 terminate the charter, appeal the decision pursuant to the  
695 procedure established in subsection (6).

696        (d) A charter may be terminated immediately if the sponsor  
697 determines that ~~good cause has been shown or if the health,~~  
698 ~~safety, or welfare of the students is threatened.~~ The sponsor  
699 shall notify in writing the charter school's governing body, the  
700 charter school principal, and the department if a charter is

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701 immediately terminated. The sponsor shall clearly identify the  
702 specific issues that resulted in the immediate termination and  
703 provide evidence of prior notification of issues resulting in  
704 the immediate termination when appropriate. The school district  
705 in which the charter school is located shall assume operation of  
706 the school under these circumstances. The charter school's  
707 governing board may, within 30 ~~14~~ days after receiving the  
708 sponsor's decision to terminate the charter, appeal the decision  
709 pursuant to the procedure established in subsection (6).

710 (e) When a charter is not renewed or is terminated, the  
711 school shall be dissolved under the provisions of law under  
712 which the school was organized, and any unencumbered public  
713 funds, except for capital outlay funds and federal charter  
714 school program grant funds, from the charter school shall revert  
715 to the sponsor ~~district school board~~. Capital outlay funds  
716 provided pursuant to s. 1013.62 and federal charter school  
717 program grant funds that are unencumbered shall revert to the  
718 department to be redistributed among eligible charter schools.  
719 In the event a charter school is dissolved or is otherwise  
720 terminated, all district school board property and improvements,  
721 furnishings, and equipment purchased with public funds shall  
722 automatically revert to full ownership by the district school  
723 board, subject to complete satisfaction of any lawful liens or  
724 encumbrances. Any unencumbered public funds from the charter  
725 school, district school board property and improvements,  
726 furnishings, and equipment purchased with public funds, or  
727 financial or other records pertaining to the charter school, in  
728 the possession of any person, entity, or holding company, other

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729 than the charter school, shall be held in trust upon the  
730 district school board's request, until any appeal status is  
731 resolved.

732 (f) If a charter is not renewed or is terminated, the  
733 charter school is responsible for all debts of the charter  
734 school. The district may not assume the debt from any contract  
735 for services made between the governing body of the school and a  
736 third party, except for a debt that is previously detailed and  
737 agreed upon in writing by both the district and the governing  
738 body of the school and that may not reasonably be assumed to  
739 have been satisfied by the district.

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

744 (9) CHARTER SCHOOL REQUIREMENTS.--

745 (a) A charter school shall be nonsectarian in its  
746 programs, admission policies, employment practices, and  
747 operations.

748 (b) A charter school shall admit students as provided in  
749 subsection (10).

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

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

756 (e) A charter school shall meet all applicable state and

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757 local health, safety, and civil rights requirements.

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

760 (g) A charter school shall provide for an annual financial  
761 audit in accordance with s. 218.39. Financial audits that reveal  
762 a state of financial emergency as defined in s. 218.503 and are  
763 conducted by a certified public accountant or auditor in  
764 accordance with s. 218.39 shall be provided to the governing  
765 body of the charter school within 7 working days after finding  
766 that a state of financial emergency exists. When a charter  
767 school is found to be in a state of financial emergency by a  
768 certified public accountant or auditor, the charter school must  
769 file a detailed financial recovery plan with the sponsor within  
770 30 days after receipt of the audit.

771 (h) No organization shall hold more than 15 charters  
772 statewide.

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

777 1. In accordance with the accounts and codes prescribed in  
778 the most recent issuance of the publication titled "Financial  
779 and Program Cost Accounting and Reporting for Florida Schools";  
780 or

781 2. At the discretion of the charter school governing  
782 board, a charter school may elect to follow generally accepted  
783 accounting standards for not-for-profit organizations, but must  
784 reformat this information for reporting according to this

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785 paragraph.

786

787 Charter schools shall ~~are to~~ provide annual financial report and  
788 program cost report information in the state-required formats  
789 for inclusion in district reporting in compliance with s.

790 1011.60(1). Charter schools that are operated by a municipality  
791 or are a component unit of a parent nonprofit organization may  
792 use the accounting system of the municipality or the parent but  
793 must reformat this information for reporting according to this  
794 paragraph.

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

797 (k) The governing body of the charter school shall  
798 exercise continuing oversight over charter school operations.

799 (l) The governing body of the charter school shall be  
800 responsible for:

801 1. Ensuring that the charter school has retained the  
802 services of a certified public accountant or auditor for the  
803 annual financial audit, pursuant to paragraph (g), who shall  
804 submit the report to the governing body.

805 2. Reviewing and approving the audit report, including  
806 audit findings and recommendations for the financial recovery  
807 plan.

808 3. Monitoring a financial recovery plan in order to ensure  
809 compliance.

810 (m) ~~(l)~~ The governing body of the charter school shall  
811 report its progress annually to its sponsor, which shall forward  
812 the report to the Commissioner of Education at the same time as

813 other annual school accountability reports. The Department of  
814 Education shall develop a uniform, on-line annual accountability  
815 report to be completed by charter schools. This report shall be  
816 easy to utilize and contain demographic information, student  
817 performance data, and financial accountability information. A  
818 charter school shall not be required to provide information and  
819 data that is duplicative and already in the possession of the  
820 department. The Department of Education shall include in its  
821 compilation a notation if a school failed to file its report by  
822 the deadline established by the department. The report shall  
823 include at least the following components:

824 1. Student achievement performance data, including the  
825 information required for the annual school report and the  
826 education accountability system governed by ss. 1008.31 and  
827 1008.345. Charter schools are subject to the same accountability  
828 requirements as other public schools, including reports of  
829 student achievement information that links baseline student data  
830 to the school's performance projections identified in the  
831 charter. The charter school shall identify reasons for any  
832 difference between projected and actual student performance.

833 2. Financial status of the charter school which must  
834 include revenues and expenditures at a level of detail that  
835 allows for analysis of the ability to meet financial obligations  
836 and timely repayment of debt.

837 3. Documentation of the facilities in current use and any  
838 planned facilities for use by the charter school for instruction  
839 of students, administrative functions, or investment purposes.

840 4. Descriptive information about the charter school's

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841 personnel, including salary and benefit levels of charter school  
842 employees, the proportion of instructional personnel who hold  
843 professional or temporary certificates, and the proportion of  
844 instructional personnel teaching in-field or out-of-field.

845 (n)~~(m)~~ A charter school shall not levy taxes or issue  
846 bonds secured by tax revenues.

847 (o)~~(n)~~ A charter school shall provide instruction for at  
848 least the number of days required by law for other public  
849 schools, and may provide instruction for additional days.

850 (p) The director and a representative of the governing  
851 body of a charter school that has received a school grade of "D"  
852 under s. 1008.34(2) shall appear before the sponsor or the  
853 sponsor's staff at least once a year to present information  
854 concerning each contract component having noted deficiencies.  
855 The sponsor shall communicate at the meeting, and in writing to  
856 the director, the services provided to the school to help the  
857 school address its deficiencies.

858 (q) Upon notification that a charter school receives a  
859 school grade of "D" for 2 consecutive years or a school grade of  
860 "F" under s. 1008.34(2), the charter school sponsor or the  
861 sponsor's staff shall require the director and a representative  
862 of the governing body to submit to the sponsor for approval a  
863 school improvement plan to raise student achievement and to  
864 implement the plan. The sponsor has the authority to approve a  
865 school improvement plan that the charter school will implement  
866 in the following school year. The Department of Education shall  
867 offer technical assistance and training to the charter school  
868 and its governing body and establish guidelines for developing,

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869 submitting, and approving such plans.

870 1. If the charter school fails to improve its student  
871 performance from the year immediately prior to the  
872 implementation of the school improvement plan, the sponsor shall  
873 place the charter school on probation and shall require the  
874 charter school governing body to take one of the following  
875 corrective actions:

876 a. Contract for the educational services of the charter  
877 school;

878 b. Reorganize the school at the end of the school year  
879 under a new director or principal who is authorized to hire new  
880 staff and implement a plan that addresses the causes of  
881 inadequate progress; or

882 c. Reconstitute the charter school.

883 2. A charter school that is placed on probation shall  
884 continue the corrective actions required under subparagraph 1.  
885 until the charter school improves its student performance from  
886 the year prior to the implementation of the school improvement  
887 plan.

888 3. Notwithstanding any provision of this paragraph, the  
889 sponsor may terminate the charter at any time pursuant to the  
890 provisions of subsection (8).

891 (r) The director and a representative of the governing  
892 body of a graded charter school that has submitted a school  
893 improvement plan or has been placed on probation under paragraph  
894 (g) shall appear before the sponsor or the sponsor's staff at  
895 least once a year to present information regarding the  
896 corrective strategies that are being implemented by the school



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897 pursuant to the school improvement plan. The sponsor shall  
898 communicate at the meeting, and in writing to the director, the  
899 services provided to the school to help the school address its  
900 deficiencies.

901 (10) ELIGIBLE STUDENTS.--

902 (a) A charter school shall be open to any student covered  
903 in an interdistrict agreement or residing in the school district  
904 in which the charter school is located; however, in the case of  
905 a charter lab school, the charter lab school shall be open to  
906 any student eligible to attend the lab school as provided in s.  
907 1002.32 or who resides in the school district in which the  
908 charter lab school is located. Any eligible student shall be  
909 allowed interdistrict transfer to attend a charter school when  
910 based on good cause.

911 (b) The charter school shall enroll an eligible student  
912 who submits a timely application, unless the number of  
913 applications exceeds the capacity of a program, class, grade  
914 level, or building. In such case, all applicants shall have an  
915 equal chance of being admitted through a random selection  
916 process.

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

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

922 1. Students who are siblings of a student enrolled in the  
923 charter school.

924 2. Students who are the children of a member of the

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925 governing board of the charter school.

926 3. Students who are the children of an employee of the  
927 charter school.

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

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

931 2. Students considered at risk of dropping out of school  
932 or academic failure. Such students shall include exceptional  
933 education students.

934 3. Students enrolling in a charter school-in-the-workplace  
935 or charter school-in-a-municipality established pursuant to  
936 subsection (15).

937 4. Students residing within a reasonable distance of the  
938 charter school, as described in paragraph (20)(c). Such students  
939 shall be subject to a random lottery and to the racial/ethnic  
940 balance provisions described in subparagraph (7)(a)8. or any  
941 federal provisions that require a school to achieve a  
942 racial/ethnic balance reflective of the community it serves or  
943 within the racial/ethnic range of other public schools in the  
944 same school district.

945 5. Students who meet reasonable academic, artistic, or  
946 other eligibility standards established by the charter school  
947 and included in the charter school application and charter or,  
948 in the case of existing charter schools, standards that are  
949 consistent with the school's mission and purpose. Such standards  
950 shall be in accordance with current state law and practice in  
951 public schools and may not discriminate against otherwise  
952 qualified individuals.

953           6. Students articulating from one charter school to  
 954 another pursuant to an articulation agreement between the  
 955 charter schools that has been approved by the sponsor.

956           (f) Students with handicapping conditions and students  
 957 served in English for Speakers of Other Languages programs shall  
 958 have an equal opportunity of being selected for enrollment in a  
 959 charter school.

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

963           (h) The capacity of the charter school shall be determined  
 964 annually by the governing board, in conjunction with the  
 965 sponsor, of the charter school in consideration of the factors  
 966 identified in this subsection.

967           (11) PARTICIPATION IN INTERSCHOLASTIC EXTRACURRICULAR  
 968 ACTIVITIES.--A charter school student is eligible to participate  
 969 in an interscholastic extracurricular activity at the public  
 970 school to which the student would be otherwise assigned to  
 971 attend pursuant to s. 1006.15(3) (d).

972           (12) EMPLOYEES OF CHARTER SCHOOLS.--

973           (a) A charter school shall select its own employees. A  
 974 charter school may contract with its sponsor for the services of  
 975 personnel employed by the sponsor.

976           (b) Charter school employees shall have the option to  
 977 bargain collectively. Employees may collectively bargain as a  
 978 separate unit or as part of the existing district collective  
 979 bargaining unit as determined by the structure of the charter  
 980 school.

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981 (c) The employees of a conversion charter school shall  
982 remain public employees for all purposes, unless such employees  
983 choose not to do so.

984 (d) The teachers at a charter school may choose to be part  
985 of a professional group that subcontracts with the charter  
986 school to operate the instructional program under the auspices  
987 of a partnership or cooperative that they collectively own.  
988 Under this arrangement, the teachers would not be public  
989 employees.

990 (e) Employees of a school district may take leave to  
991 accept employment in a charter school upon the approval of the  
992 district school board. While employed by the charter school and  
993 on leave that is approved by the district school board, the  
994 employee may retain seniority accrued in that school district  
995 and may continue to be covered by the benefit programs of that  
996 school district, if the charter school and the district school  
997 board agree to this arrangement and its financing. School  
998 districts shall not require resignations of teachers desiring to  
999 teach in a charter school. This paragraph shall not prohibit a  
1000 district school board from approving alternative leave  
1001 arrangements consistent with chapter 1012.

1002 (f) Teachers employed by or under contract to a charter  
1003 school shall be certified as required by chapter 1012. A charter  
1004 school governing board may employ or contract with skilled  
1005 selected noncertified personnel to provide instructional  
1006 services or to assist instructional staff members as education  
1007 paraprofessionals in the same manner as defined in chapter 1012,  
1008 and as provided by State Board of Education rule for charter

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1009 school governing boards. A charter school may not knowingly  
1010 employ an individual to provide instructional services or to  
1011 serve as an education paraprofessional if the individual's  
1012 certification or licensure as an educator is suspended or  
1013 revoked by this or any other state. A charter school may not  
1014 knowingly employ an individual who has resigned from a school  
1015 district in lieu of disciplinary action with respect to child  
1016 welfare or safety, or who has been dismissed for just cause by  
1017 any school district with respect to child welfare or safety. The  
1018 qualifications of teachers shall be disclosed to parents.

1019 (g) A charter school shall employ or contract with  
1020 employees who have undergone background screening as provided in  
1021 s. 1012.32. Members of the governing board of the charter school  
1022 shall also undergo background screening in a manner similar to  
1023 that provided in s. 1012.32.

1024 (h) For the purposes of tort liability, the governing body  
1025 and employees of a charter school shall be governed by s.  
1026 768.28.

1027 (i) A charter school shall organize as, or be operated by,  
1028 a nonprofit organization. A charter school may be operated by a  
1029 municipality or other public entity as provided for by law. As  
1030 such, the charter school may be either a private or a public  
1031 employer. As a public employer, a charter school may participate  
1032 in the Florida Retirement System upon application and approval  
1033 as a "covered group" under s. 121.021(34). If a charter school  
1034 participates in the Florida Retirement System, the charter  
1035 school employees shall be compulsory members of the Florida  
1036 Retirement System. As either a private or a public employer, a

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1037 charter school may contract for services with an individual or  
 1038 group of individuals who are organized as a partnership or a  
 1039 cooperative. Individuals or groups of individuals who contract  
 1040 their services to the charter school are not public employees.

1041 (13) CHARTER SCHOOL COOPERATIVES.--Charter schools may  
 1042 enter into cooperative agreements to form charter school  
 1043 cooperative organizations that may provide the following  
 1044 services: charter school planning and development, direct  
 1045 instructional services, and contracts with charter school  
 1046 governing boards to provide personnel administrative services,  
 1047 payroll services, human resource management, evaluation and  
 1048 assessment services, teacher preparation, and professional  
 1049 development.

1050 (14) CHARTER SCHOOL FINANCIAL ARRANGEMENTS;  
 1051 INDEMNIFICATION OF THE STATE AND SCHOOL DISTRICT; CREDIT OR  
 1052 TAXING POWER NOT TO BE PLEDGED.--Any arrangement entered into to  
 1053 borrow or otherwise secure funds for a charter school authorized  
 1054 in this section from a source other than the state or a school  
 1055 district shall indemnify the state and the school district from  
 1056 any and all liability, including, but not limited to, financial  
 1057 responsibility for the payment of the principal or interest. Any  
 1058 loans, bonds, or other financial agreements are not obligations  
 1059 of the state or the school district but are obligations of the  
 1060 charter school authority and are payable solely from the sources  
 1061 of funds pledged by such agreement. The credit or taxing power  
 1062 of the state or the school district shall not be pledged and no  
 1063 debts shall be payable out of any moneys except those of the  
 1064 legal entity in possession of a valid charter approved by a

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1065 district school board pursuant to this section.

1066 (15) CHARTER SCHOOLS-IN-THE-WORKPLACE; CHARTER SCHOOLS-IN-  
1067 A-MUNICIPALITY.--

1068 (a) In order to increase business partnerships in  
1069 education, to reduce school and classroom overcrowding  
1070 throughout the state, and to offset the high costs for  
1071 educational facilities construction, the Legislature intends to  
1072 encourage the formation of business partnership schools or  
1073 satellite learning centers and municipal-operated schools  
1074 through charter school status.

1075 (b) A charter school-in-the-workplace may be established  
1076 when a business partner provides the school facility to be used;  
1077 enrolls students based upon a random lottery that involves all  
1078 of the children of employees of that business or corporation who  
1079 are seeking enrollment, as provided for in subsection (10); and  
1080 enrolls students according to the racial/ethnic balance  
1081 provisions described in subparagraph (7)(a)8. Any portion of a  
1082 facility used for a public charter school shall be exempt from  
1083 ad valorem taxes, as provided for in s. 1013.54, for the  
1084 duration of its use as a public school.

1085 (c) A charter school-in-a-municipality designation may be  
1086 granted to a municipality that possesses a charter; enrolls  
1087 students based upon a random lottery that involves all of the  
1088 children of the residents of that municipality who are seeking  
1089 enrollment, as provided for in subsection (10); and enrolls  
1090 students according to the racial/ethnic balance provisions  
1091 described in subparagraph (7)(a)8. When a municipality has  
1092 submitted charter applications for the establishment of a

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1093 charter school feeder pattern, consisting of elementary, middle,  
 1094 and senior high schools, and each individual charter application  
 1095 is approved by the district school board, such schools shall  
 1096 then be designated as one charter school for all purposes listed  
 1097 pursuant to this section. Any portion of the land and facility  
 1098 used for a public charter school shall be exempt from ad valorem  
 1099 taxes, as provided for in s. 1013.54, for the duration of its  
 1100 use as a public school.

1101 (d) As used in this subsection, the terms "business  
 1102 partner" or "municipality" may include more than one business or  
 1103 municipality to form a charter school-in-the-workplace or  
 1104 charter school-in-a-municipality.

1105 (16) EXEMPTION FROM STATUTES.--

1106 (a) A charter school shall operate in accordance with its  
 1107 charter and shall be exempt from all statutes in chapters 1000-  
 1108 1013. However, a charter school shall be in compliance with the  
 1109 following statutes in chapters 1000-1013:

1110 1. Those statutes specifically applying to charter  
 1111 schools, including this section.

1112 2. Those statutes pertaining to the student assessment  
 1113 program and school grading system.

1114 3. Those statutes pertaining to the provision of services  
 1115 to students with disabilities.

1116 4. Those statutes pertaining to civil rights, including s.  
 1117 1000.05, relating to discrimination.

1118 5. Those statutes pertaining to student health, safety,  
 1119 and welfare.

1120 (b) Additionally, a charter school shall be in compliance



1121 with the following statutes:

1122 1. Section 286.011, relating to public meetings and  
 1123 records, public inspection, and criminal and civil penalties.

1124 2. Chapter 119, relating to public records.

1125 (17) FUNDING.--Students enrolled in a charter school,  
 1126 regardless of the sponsorship, shall be funded as if they are in  
 1127 a basic program or a special program, the same as students  
 1128 enrolled in other public schools in the school district. Funding  
 1129 for a charter lab school shall be as provided in s. 1002.32.

1130 (a) Each charter school shall report its student  
 1131 enrollment to the district school board as required in s.  
 1132 1011.62, and in accordance with the definitions in s. 1011.61.  
 1133 The district school board shall include each charter school's  
 1134 enrollment in the district's report of student enrollment. All  
 1135 charter schools submitting student record information required  
 1136 by the Department of Education shall comply with the Department  
 1137 of Education's guidelines for electronic data formats for such  
 1138 data, and all districts shall accept electronic data that  
 1139 complies with the Department of Education's electronic format.

1140 (b) The basis for the agreement for funding students  
 1141 enrolled in a charter school shall be the sum of the school  
 1142 district's operating funds from the Florida Education Finance  
 1143 Program as provided in s. 1011.62 and the General Appropriations  
 1144 Act, including gross state and local funds, discretionary  
 1145 lottery funds, and funds from the school district's current  
 1146 operating discretionary millage levy; divided by total funded  
 1147 weighted full-time equivalent students in the school district;  
 1148 multiplied by the weighted full-time equivalent students for the

1149 charter school. Charter schools whose students or programs meet  
 1150 the eligibility criteria in law shall be entitled to their  
 1151 proportionate share of categorical program funds included in the  
 1152 total funds available in the Florida Education Finance Program  
 1153 by the Legislature, including transportation. Total funding for  
 1154 each charter school shall be recalculated during the year to  
 1155 reflect the revised calculations under the Florida Education  
 1156 Finance Program by the state and the actual weighted full-time  
 1157 equivalent students reported by the charter school during the  
 1158 full-time equivalent student survey periods designated by the  
 1159 Commissioner of Education.

1160 (c) If the district school board is providing programs or  
 1161 services to students funded by federal funds, any eligible  
 1162 students enrolled in charter schools in the school district  
 1163 shall be provided federal funds for the same level of service  
 1164 provided students in the schools operated by the district school  
 1165 board. Pursuant to provisions of 20 U.S.C. 8061 s. 10306, all  
 1166 charter schools shall receive all federal funding for which the  
 1167 school is otherwise eligible, including Title I funding, not  
 1168 later than 5 months after the charter school first opens and  
 1169 within 5 months after any subsequent expansion of enrollment.

1170 (d) District school boards shall make ~~every effort to~~  
 1171 ~~ensure that charter schools receive~~ timely and efficient payment  
 1172 and reimbursement to charter schools, including processing  
 1173 paperwork required to access special state and federal funding  
 1174 for which they may be eligible. The district school board may  
 1175 distribute funds to a charter school for up to 3 months based on  
 1176 the projected full-time equivalent student membership of the

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1177 charter school. Thereafter, the results of full-time equivalent  
1178 student membership surveys shall be used in adjusting the amount  
1179 of funds distributed monthly to the charter school for the  
1180 remainder of the fiscal year. The payment shall be issued no  
1181 later than 10 working days after the district school board  
1182 receives a distribution of state or federal funds. If a warrant  
1183 for payment is not issued within 10 ~~30~~ working days after  
1184 receipt of funding by the district school board, the school  
1185 district shall pay to the charter school, in addition to the  
1186 amount of the scheduled disbursement, interest at a rate of 5 ~~±~~  
1187 percent per month calculated on a daily basis on the unpaid  
1188 balance from the expiration of the 10 working days ~~30-day period~~  
1189 until such time as the warrant is issued. The Commissioner of  
1190 Education is authorized to withhold lottery funds from school  
1191 districts that repeatedly fail to make timely payments and  
1192 reimbursements.

1193 (e) The State Board of Education is authorized to impose a  
1194 fine on or withhold lottery funds from a school district for any  
1195 violation of the procedural requirements for charter school  
1196 application, termination, or nonrenewal appeals regardless of  
1197 whether the violation affects the fairness of the appeal process  
1198 or the correctness of the action taken by the school district.  
1199 Prior to the imposition of a fine or the withholding of lottery  
1200 funds under this paragraph, the State Board of Education shall  
1201 provide the school district with notice of the amount of the  
1202 proposed fine or lottery funds to be withheld and an opportunity  
1203 to be heard at a subsequent meeting of the State Board of  
1204 Education. The funds collected for fines under this paragraph

1205 shall be taken from the school district's administrative fee  
 1206 under paragraph (20) (a) and disbursed to the prevailing charter  
 1207 school appellant under this section or, if the charter school  
 1208 appellant's appeal is denied, in equal amounts to each of the  
 1209 charter schools within the school district. The imposition of a  
 1210 fine under this paragraph shall not exceed \$10,000 and is a  
 1211 final action subject to judicial review in the district court of  
 1212 appeals.

1213 (18) FACILITIES.--

1214 (a) A startup charter school shall utilize facilities  
 1215 which comply with the Florida Building Code pursuant to chapter  
 1216 553 except for the State Requirements for Educational  
 1217 Facilities. Conversion charter schools shall utilize facilities  
 1218 that comply with the State Requirements for Educational  
 1219 Facilities, provided that the school district and the charter  
 1220 school have entered into a mutual management plan with  
 1221 sufficient funding from the school district to comply with the  
 1222 State Requirements for Educational Facilities. Charter schools,  
 1223 with the exception of conversion charter schools, are not  
 1224 required to comply, but may choose to comply, with the State  
 1225 Requirements for Educational Facilities of the Florida Building  
 1226 Code adopted pursuant to s. 1013.37. The local governing  
 1227 authority shall not adopt or impose local building requirements  
 1228 or restrictions that are more stringent than those found in the  
 1229 Florida Building Code. The agency having jurisdiction for  
 1230 inspection of a facility and issuance of a certificate of  
 1231 occupancy shall be the local municipality or, if in an  
 1232 unincorporated area, the county governing authority.

1233 (b) A charter school shall utilize facilities that comply  
 1234 with the Florida Fire Prevention Code, pursuant to s. 633.025,  
 1235 as adopted by the authority in whose jurisdiction the facility  
 1236 is located as provided in paragraph (a).

1237 (c) Any facility, or portion thereof, used to house a  
 1238 charter school whose charter has been approved by the sponsor  
 1239 and the governing board, pursuant to subsection (7), shall be  
 1240 exempt from ad valorem taxes pursuant to s. 196.1983. Library,  
 1241 community service, museum, performing arts, theatre, cinema,  
 1242 church, community college, college, and university facilities  
 1243 may provide space to charter schools within their facilities  
 1244 under their preexisting zoning and land use designations.

1245 (d) Charter school facilities are exempt from assessments  
 1246 of fees for building permits, except as provided in s. 553.80,  
 1247 fees and for building and occupational licenses, and ~~from~~  
 1248 ~~assessments of~~ impact fees or service availability fees.

1249 (e) If a district school board facility or property is  
 1250 available because it is surplus, marked for disposal, or  
 1251 otherwise unused, it shall be provided for a charter school's  
 1252 use on the same basis as it is made available to other public  
 1253 schools in the district. A charter school receiving property  
 1254 from the school district may not sell or dispose of such  
 1255 property without written permission of the school district.  
 1256 Similarly, for an existing public school converting to charter  
 1257 status, no rental or leasing fee for the existing facility or  
 1258 for the property normally inventoried to the conversion school  
 1259 may be charged by the district school board to the parents and  
 1260 teachers organizing the charter school. The charter school

1261 ~~organizers~~ shall agree to reasonable maintenance provisions in  
1262 order to maintain the facility in a manner similar to district  
1263 school board standards. The Public Education Capital Outlay  
1264 maintenance funds or any other maintenance funds generated by  
1265 the facility operated as a conversion school shall remain with  
1266 the conversion school.

1267 (f) To the extent that charter school facilities are  
1268 specifically created to mitigate the educational impact created  
1269 by the development of new residential dwelling units, pursuant  
1270 to subparagraph (2)(c)4., some of or all of the educational  
1271 impact fees required to be paid in connection with the new  
1272 residential dwelling units may be designated instead for the  
1273 construction of the charter school facilities that will mitigate  
1274 the student station impact. Such facilities shall be built to  
1275 the State Requirements for Educational Facilities and shall be  
1276 owned by a public or nonprofit entity. The local school district  
1277 retains the right to monitor and inspect such facilities to  
1278 ensure compliance with the State Requirements for Educational  
1279 Facilities. If a facility ceases to be used for public  
1280 educational purposes, either the facility shall revert to the  
1281 school district subject to any debt owed on the facility, or the  
1282 owner of the facility shall have the option to refund all  
1283 educational impact fees utilized for the facility to the school  
1284 district. The district and the owner of the facility may  
1285 contractually agree to another arrangement for the facilities if  
1286 the facilities cease to be used for educational purposes. The  
1287 owner of property planned or approved for new residential  
1288 dwelling units and the entity levying educational impact fees

1289 shall enter into an agreement that designates the educational  
 1290 impact fees that will be allocated for the charter school  
 1291 student stations and that ensures the timely construction of the  
 1292 charter school student stations concurrent with the expected  
 1293 occupancy of the residential units. The application for use of  
 1294 educational impact fees shall include an approved charter school  
 1295 application. To assist the school district in forecasting  
 1296 student station needs, the entity levying the impact fees shall  
 1297 notify the affected district of any agreements it has approved  
 1298 for the purpose of mitigating student station impact from the  
 1299 new residential dwelling units.

1300 (19) CAPITAL OUTLAY FUNDING.--Charter schools are eligible  
 1301 for capital outlay funds pursuant to s. 1013.62.

1302 (20) SERVICES.--

1303 (a) A sponsor shall provide certain administrative and  
 1304 educational services to charter schools. These services shall  
 1305 include contract management services; full-time equivalent and  
 1306 data reporting services; exceptional student education  
 1307 administration and evaluation services; services related to  
 1308 eligibility and reporting duties required to ensure that school  
 1309 lunch services under the federal lunch program, consistent with  
 1310 the needs of the charter school, are provided by the school  
 1311 district at the request of the charter school; test  
 1312 administration services, including payment of the costs of  
 1313 state-required or district-required student assessments;  
 1314 processing of teacher certificate data services; and information  
 1315 services, including equal access to student information systems  
 1316 that are used by public schools in the district in which the

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1317 charter school is located. Student performance data for each  
1318 student in a charter school, including, but not limited to, FCAT  
1319 scores, standardized test scores, individual report cards, and  
1320 student performance measures, shall be provided by the sponsor  
1321 to a charter school in the same manner provided to other public  
1322 schools in the district. A total administrative fee for the  
1323 provision of such services shall be calculated based upon up to  
1324 5 percent of the available funds defined in paragraph (17)(b)  
1325 for all students. However, a sponsor may only withhold up to a  
1326 5-percent administrative fee for enrollment for up to and  
1327 including 500 students. For charter schools with a population of  
1328 501 or more students, the difference between the total  
1329 administrative fee calculation and the amount of the  
1330 administrative fee withheld may only be used for capital outlay  
1331 purposes specified in s. 1013.62 (4) ~~(2)~~. Sponsors shall not  
1332 charge charter schools any additional fees or surcharges for  
1333 administrative and educational services in addition to the  
1334 maximum 5-percent administrative fee withheld pursuant to this  
1335 paragraph.

1336 (b) If goods and services are made available to the  
1337 charter school through the contract with the school district,  
1338 they shall be provided to the charter school at a rate no  
1339 greater than the district's actual cost unless mutually agreed  
1340 upon by the charter school and the sponsor in a contract  
1341 negotiated separately from the charter. When mediation has  
1342 failed to resolve disputes over contracted services or  
1343 contractual matters not included in the charter, an appeal may  
1344 be made for a dispute resolution hearing before the Charter



1345 School Appeal Commission. To maximize the use of state funds,  
 1346 school districts shall allow charter schools to participate in  
 1347 the sponsor's bulk purchasing program if applicable.

1348 (c) Transportation of charter school students shall be  
 1349 provided by the charter school consistent with the requirements  
 1350 of subpart I.E. of chapter 1006 and s. 1012.45. The governing  
 1351 body of the charter school may provide transportation through an  
 1352 agreement or contract with the district school board, a private  
 1353 provider, or parents. The charter school and the sponsor shall  
 1354 cooperate in making arrangements that ensure that transportation  
 1355 is not a barrier to equal access for all students residing  
 1356 within a reasonable distance of the charter school as determined  
 1357 in its charter.

1358 (21) PUBLIC INFORMATION ON CHARTER SCHOOLS.--The  
 1359 Department of Education shall provide information to the public,  
 1360 directly and through sponsors, both on how to form and operate a  
 1361 charter school and on how to enroll in charter schools once they  
 1362 are created. This information shall include a standard  
 1363 application format, charter format, and charter renewal format  
 1364 which shall include the information specified in subsection (7).  
 1365 These formats shall ~~This application format may be used as~~  
 1366 guidelines by charter school sponsors ~~chartering entities.~~

1367 (22) CHARTER SCHOOL REVIEW PANEL AND LEGISLATIVE REVIEW.--

1368 (a) The Department of Education shall staff and regularly  
 1369 convene a Charter School Review Panel in order to review issues,  
 1370 practices, and policies regarding charter schools. The  
 1371 composition of the review panel shall include individuals with  
 1372 experience in finance, administration, law, education, and

1373 school governance, and individuals familiar with charter school  
 1374 construction and operation. The panel shall include two  
 1375 appointees each from the Commissioner of Education, the  
 1376 President of the Senate, and the Speaker of the House of  
 1377 Representatives. The Governor shall appoint three members of the  
 1378 panel and shall designate the chair. Each member of the panel  
 1379 shall serve a 1-year term, unless renewed by the office making  
 1380 the appointment. The panel shall make recommendations to the  
 1381 Legislature, to the Department of Education, to charter schools,  
 1382 and to school districts for improving charter school operations  
 1383 and oversight and for ensuring best business practices at and  
 1384 fair business relationships with charter schools.

1385 (b) The Legislature shall review the operation of charter  
 1386 schools during the 2010 ~~2005~~ Regular Session of the Legislature.

1387 (23) ANALYSIS OF CHARTER SCHOOL PERFORMANCE.--Upon receipt  
 1388 of the annual report required by paragraph (9) (m) ~~(l)~~, the  
 1389 Department of Education shall provide to the State Board of  
 1390 Education, the Commissioner of Education, the Governor, the  
 1391 President of the Senate, and the Speaker of the House of  
 1392 Representatives an analysis and comparison of the overall  
 1393 performance of charter school students, to include all students  
 1394 whose scores are counted as part of the statewide assessment  
 1395 program, versus comparable public school students in the  
 1396 district as determined by the statewide assessment program  
 1397 currently administered in the school district, and other  
 1398 assessments administered pursuant to s. 1008.22(3).

1399 (24) RULEMAKING.--The Department of Education, after  
 1400 consultation with school districts and charter school directors,

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1401 shall recommend that the State Board of Education adopt rules to  
 1402 implement specific subsections of this section. Such rules shall  
 1403 require minimum paperwork and shall not limit charter school  
 1404 flexibility authorized by statute.

1405 Section 2. Subsection (5) of section 218.39, Florida  
 1406 Statutes, is amended to read:

1407 218.39 Annual financial audit reports.--

1408 (5) At the conclusion of the audit, the auditor shall  
 1409 discuss with the chair of each local governmental entity or the  
 1410 chair's designee, or with the elected official of each county  
 1411 agency or with the elected official's designee, or with the  
 1412 chair of the district school board or the chair's designee, or  
 1413 with the chair of the board of the charter school or the chair's  
 1414 designee, or with the chair of the charter technical career  
 1415 center or the chair's designee, as appropriate, all of the  
 1416 auditor's comments that will be included in the audit report. If  
 1417 the officer is not available to discuss the auditor's comments,  
 1418 their discussion is presumed when the comments are delivered in  
 1419 writing to his or her office. The auditor shall notify each  
 1420 member of the governing body of a local governmental entity, ~~or~~  
 1421 district school board, or charter school for which deteriorating  
 1422 financial conditions exist that may cause a condition described  
 1423 in s. 218.503(1) to occur if actions are not taken to address  
 1424 such conditions.

1425 Section 3. Section 218.50, Florida Statutes, is amended to  
 1426 read:

1427 218.50 Short title.--Sections 218.50-218.504 may be cited  
 1428 as the "Local Governmental Entity, Charter School, and District

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1429 School Board Financial Emergencies Act."

1430 Section 4. Section 218.501, Florida Statutes, is amended  
1431 to read:

1432 218.501 Purposes.--The purposes of ss. 218.50-218.504 are:

1433 (1) To promote the fiscal responsibility of local  
1434 governmental entities, charter schools, and district school  
1435 boards.

1436 (2) To assist local governmental entities, charter  
1437 schools, and district school boards in providing essential  
1438 services without interruption and in meeting their financial  
1439 obligations.

1440 (3) To assist local governmental entities, charter  
1441 schools, and district school boards through the improvement of  
1442 local financial management procedures.

1443 Section 5. Subsections (1) and (2) of section 218.503,  
1444 Florida Statutes, are amended, a new subsection (4) is added,  
1445 and subsections (4) and (5) of that section are renumbered as  
1446 subsections (5) and (6), respectively, to read:

1447 218.503 Determination of financial emergency.--

1448 (1) Local governmental entities, charter schools, and  
1449 district school boards shall be subject to review and oversight  
1450 by the Governor, charter school sponsor, or the Commissioner of  
1451 Education, as appropriate, when any one of the following  
1452 conditions occurs:

1453 (a) Failure within the same fiscal year in which due to  
1454 pay short-term loans or failure to make bond debt service or  
1455 other long-term debt payments when due, as a result of a lack of  
1456 funds.

1457 (b) Failure to pay uncontested claims from creditors  
 1458 within 90 days after the claim is presented, as a result of a  
 1459 lack of funds.

1460 (c) Failure to transfer at the appropriate time, due to  
 1461 lack of funds:

- 1462 1. Taxes withheld on the income of employees; or
- 1463 2. Employer and employee contributions for:
  - 1464 a. Federal social security; or
  - 1465 b. Any pension, retirement, or benefit plan of an  
 1466 employee.

1467 (d) Failure for one pay period to pay, due to lack of  
 1468 funds:

- 1469 1. Wages and salaries owed to employees; or
- 1470 2. Retirement benefits owed to former employees.

1471 (e) An unreserved or total fund balance or retained  
 1472 earnings deficit, or unrestricted or total net assets deficit,  
 1473 as reported on the balance sheet or statement of net assets on  
 1474 the general purpose or fund financial statements, for which  
 1475 sufficient resources of the local governmental entity, as  
 1476 reported on the balance sheet or statement of net assets on the  
 1477 general purpose or fund financial statements, are not available  
 1478 to cover the deficit. Resources available to cover reported  
 1479 deficits include net assets that are not otherwise restricted by  
 1480 federal, state, or local laws, bond covenants, contractual  
 1481 agreements, or other legal constraints. Fixed or capital assets,  
 1482 the disposal of which would impair the ability of a local  
 1483 governmental entity to carry out its functions, are not  
 1484 considered resources available to cover reported deficits.

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1485           (2) A local governmental entity shall notify the Governor  
1486 and the Legislative Auditing Committee, a charter school shall  
1487 notify the charter school sponsor and the Legislative Auditing  
1488 Committee, and a district school board shall notify the  
1489 Commissioner of Education and the Legislative Auditing  
1490 Committee, when one or more of the conditions specified in  
1491 subsection (1) have occurred or will occur if action is not  
1492 taken to assist the local governmental entity, charter school,  
1493 or district school board. In addition, any state agency must,  
1494 within 30 days after a determination that one or more of the  
1495 conditions specified in subsection (1) have occurred or will  
1496 occur if action is not taken to assist the local governmental  
1497 entity, charter school, or district school board, notify the  
1498 Governor, charter school sponsor, or the Commissioner of  
1499 Education, as appropriate, and the Legislative Auditing  
1500 Committee.

1501           (4) Upon notification that one or more of the conditions  
1502 in subsection (1) exist, the charter school sponsor or the  
1503 sponsor's designee shall contact the charter school governing  
1504 body to determine what actions have been taken by the charter  
1505 school governing body to resolve the condition. The charter  
1506 school sponsor has the authority to require and approve a  
1507 financial recovery plan, to be prepared by the charter school  
1508 governing body, prescribing actions that will cause the charter  
1509 school to no longer be subject to this section. The Department  
1510 of Education shall establish guidelines for developing such  
1511 plans.

1512           Section 6. Subsection (1) of section 218.504, Florida

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1513 Statutes, is amended to read:

1514           218.504 Cessation of state action.--The Governor or the  
 1515 Commissioner of Education, as appropriate, has the authority to  
 1516 terminate all state actions pursuant to ss. 218.50-218.504.  
 1517 Cessation of state action must not occur until the Governor or  
 1518 the Commissioner of Education, as appropriate, has determined  
 1519 that:

1520           (1) The local governmental entity, charter school, or  
 1521 district school board:

1522           (a) Has established and is operating an effective  
 1523 financial accounting and reporting system.

1524           (b) Has resolved the conditions outlined in s. 218.503(1).  
 1525 Section 7. Paragraph (e) of subsection (7) and subsection  
 1526 (8) of section 11.45, Florida Statutes, are amended to read:

1527           11.45 Definitions; duties; authorities; reports; rules.--

1528           (7) AUDITOR GENERAL REPORTING REQUIREMENTS.--

1529           (e) The Auditor General shall notify the Governor or the  
 1530 Commissioner of Education, as appropriate, and the Legislative  
 1531 Auditing Committee of any audit report reviewed by the Auditor  
 1532 General pursuant to paragraph (b) which contains a statement  
 1533 that a local governmental entity, charter school, or district  
 1534 school board has met one or more of the conditions specified in  
 1535 s. 218.503. If the Auditor General requests a clarification  
 1536 regarding information included in an audit report to determine  
 1537 whether a local governmental entity, charter school, or district  
 1538 school board has met one or more of the conditions specified in  
 1539 s. 218.503, the requested clarification must be provided within  
 1540 45 days after the date of the request. If the local governmental

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1541 entity, charter school, or district school board does not comply  
 1542 with the Auditor General's request, the Auditor General shall  
 1543 notify the Legislative Auditing Committee. If, after obtaining  
 1544 the requested clarification, the Auditor General determines that  
 1545 the local governmental entity, charter school, or district  
 1546 school board has met one or more of the conditions specified in  
 1547 s. 218.503, he or she shall notify the Governor or the  
 1548 Commissioner of Education, as appropriate, and the Legislative  
 1549 Auditing Committee.

1550 (8) RULES OF THE AUDITOR GENERAL.--The Auditor General, in  
 1551 consultation with the Board of Accountancy, shall adopt rules  
 1552 for the form and conduct of all financial audits performed by  
 1553 independent certified public accountants pursuant to ss.  
 1554 215.981, 218.39, 1001.453, 1004.28, and 1004.70. The rules for  
 1555 audits of local governmental entities, charter schools, and  
 1556 district school boards must include, but are not limited to,  
 1557 requirements for the reporting of information necessary to carry  
 1558 out the purposes of the Local Governmental Entity, Charter  
 1559 School, and District School Board Financial Emergencies Act as  
 1560 stated in s. 218.501.

1561 Section 8. Paragraph (a) of subsection (9) and paragraph  
 1562 (b) of subsection (11) of section 1002.32, Florida Statutes, are  
 1563 amended to read:

1564 1002.32 Developmental research (laboratory) schools.--

1565 (9) FUNDING.--Funding for a lab school, including a  
 1566 charter lab school, shall be provided as follows:

1567 (a) Each lab school shall be allocated its proportional  
 1568 share of operating funds from the Florida Education Finance



1569 Program as provided in s. 1011.62 based on the county in which  
 1570 the lab school is located and the General Appropriations Act.  
 1571 The nonvoted ad valorem millage that would otherwise be required  
 1572 for lab schools shall be allocated from state funds. The  
 1573 required local effort funds calculated pursuant to s. 1011.62  
 1574 shall be allocated from state funds to the schools as a part of  
 1575 the allocation of operating funds pursuant to s. 1011.62. Each  
 1576 eligible lab school in operation as of September 1, 2002, shall  
 1577 also receive a proportional share of the sparsity supplement as  
 1578 calculated pursuant to s. 1011.62. In addition, each lab school  
 1579 shall receive its proportional share of all categorical funds,  
 1580 with the exception of s. 1011.68, and new categorical funds  
 1581 enacted after July 1, 1994, for the purpose of elementary or  
 1582 secondary academic program enhancement. However, if a lab  
 1583 school, in the fulfillment of its requirements to have a  
 1584 representative student population pursuant to subsection (4),  
 1585 elects to provide student transportation, the lab school shall  
 1586 be eligible for funding pursuant to s. 1011.68. The sum of funds  
 1587 available as provided in this paragraph shall be included  
 1588 annually in the Florida Education Finance Program and  
 1589 appropriate categorical programs funded in the General  
 1590 Appropriations Act.

1591 (11) EXCEPTIONS TO LAW.--To encourage innovative practices  
 1592 and facilitate the mission of the lab schools, in addition to  
 1593 the exceptions to law specified in s. 1001.23(2), the following  
 1594 exceptions shall be permitted for lab schools:

1595 (b) With the exception of s. 1001.42(16), s. 1001.42 shall  
 1596 be held in abeyance, except that a lab school, in the

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1597 fulfillment of its requirements to have a representative student  
 1598 population pursuant to subsection (4), may elect to provide  
 1599 transportation in accordance with s. 1001.42(8). Reference to  
 1600 district school boards in s. 1001.42(16) shall mean the  
 1601 president of the university or the president's designee.

1602 Section 9. Subsection (3) of section 1003.05, Florida  
 1603 Statutes, is amended to read:

1604 1003.05 Assistance to transitioning students from military  
 1605 families.--

1606 (3) Dependent children of active duty military personnel  
 1607 who otherwise meet the eligibility criteria for special academic  
 1608 programs offered through public schools shall be given first  
 1609 preference for admission to such programs even if the program is  
 1610 being offered through a public school other than the school to  
 1611 which the student would generally be assigned and the school at  
 1612 which the program is being offered has reached its maximum  
 1613 enrollment. If such a program is offered through a public school  
 1614 other than the school to which the student would generally be  
 1615 assigned, the parent or guardian of the student must assume  
 1616 responsibility for transporting the student to that school. For  
 1617 purposes of this subsection, special academic programs include  
 1618 ~~charter schools~~, magnet schools, advanced studies programs,  
 1619 advanced placement, dual enrollment, and International  
 1620 Baccalaureate.

1621 Section 10. Effective July 1, 2007, subsection (2) of  
 1622 section 1012.74, Florida Statutes, is amended to read:

1623 1012.74 Florida educators professional liability insurance  
 1624 protection.--

1625 (2) (a) Educator professional liability coverage for all  
 1626 instructional personnel, including charter school instructional  
 1627 personnel, as defined by s. 1012.01(2), who are full-time  
 1628 personnel, as defined by the district school board policy, shall  
 1629 be provided by specific appropriations under the General  
 1630 Appropriations Act.

1631 (b) Educator professional liability coverage shall be  
 1632 extended at cost to all instructional personnel, including  
 1633 charter school instructional personnel, as defined by s.  
 1634 1012.01(2), who are part-time personnel, as defined by the  
 1635 district school board policy, and choose to participate in the  
 1636 state-provided program.

1637 (c) Educator professional liability coverage shall be  
 1638 extended at cost to all administrative personnel, including  
 1639 administrative personnel in charter schools, as defined by s.  
 1640 1012.01(3), who choose to participate in the state-provided  
 1641 program.

1642 Section 11. Section 1013.62, Florida Statutes, is amended  
 1643 to read:

1644 1013.62 Charter schools capital outlay funding.--

1645 (1) In each year in which funds are appropriated for  
 1646 charter school capital outlay purposes, the Commissioner of  
 1647 Education shall allocate the funds among eligible charter  
 1648 schools. To be eligible for a funding allocation, a charter  
 1649 school must be one of the following:

1650 (a) The same school that received capital outlay funding  
 1651 in the 2002-2003 fiscal year.

1652 (b) A charter school that is an expanded feeder pattern of

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1653 a charter school that received capital outlay funding in the  
1654 2002-2003 fiscal year.

1655 (2) If an appropriation for charter school capital outlay  
1656 funds is less than the appropriation in the 2002-2003 fiscal  
1657 year, the funds shall be prorated among schools eligible  
1658 pursuant to subsection (1).

1659 (3) If an appropriation for charter school capital outlay  
1660 funds is greater than the appropriation in the 2002-2003 fiscal  
1661 year, the funds shall be allocated to schools eligible pursuant  
1662 to subsection (1) and to charter schools that:

1663 (a)1. Have been in operation for 3 or more years;

1664 2. Are Be an expanded feeder chain of a charter school  
1665 within the same school district that is currently receiving  
1666 charter school capital outlay funds; or

1667 3. Have been accredited by the Commission on Schools of  
1668 the Southern Association of Colleges and Schools.

1669 (b) Have financial stability for future operation as a  
1670 charter school.

1671 (c) Have received a school grade of "A" or "B," pursuant  
1672 to s. 1008.34, during at least 3 of the past 4 school years  
1673 ~~satisfactory student achievement based on state accountability~~  
1674 ~~standards applicable to the charter school.~~

1675 (d) Have received final approval from its sponsor pursuant  
1676 to s. 1002.33 for operation during that fiscal year.

1677 (e) Serve students in facilities that are not provided by  
1678 the charter school's sponsor.

1679

1680 First priority for allocating the amount in excess of the

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1681 appropriation for the 2002-2003 fiscal year shall be to prorate  
1682 the excess funds among charter schools with long-term debt or  
1683 long-term leases to the extent that the initial allocation is  
1684 insufficient to provide one-fifteenth of the cost-per-student  
1685 station specified in s. 1013.64(6)(b) and second priority shall  
1686 be to other eligible charter schools. Prior to the release of  
1687 capital outlay funds to a school district on behalf of the  
1688 charter school, the Department of Education shall ensure that  
1689 the district school board and the charter school governing board  
1690 enter into a written agreement that includes provisions for the  
1691 reversion of any unencumbered funds and all equipment and  
1692 property purchased with public education funds to the ownership  
1693 of the district school board, as provided for in subsection (5)  
1694 ~~(3)~~, in the event that the school terminates operations. Any  
1695 funds recovered by the state shall be deposited in the General  
1696 Revenue Fund. A charter school is not eligible for a funding  
1697 allocation if it was created by the conversion of a public  
1698 school and operates in facilities provided by the charter  
1699 school's sponsor for a nominal fee or at no charge or if it is  
1700 directly or indirectly operated by the school district. Unless  
1701 otherwise provided in the General Appropriations Act, the  
1702 funding allocation for each eligible charter school shall be  
1703 determined by multiplying the school's projected student  
1704 enrollment by one-fifteenth of the cost-per-student station  
1705 specified in s. 1013.64(6)(b) for an elementary, middle, or high  
1706 school, as appropriate. If the funds appropriated are not  
1707 sufficient, the commissioner shall prorate the available funds  
1708 among eligible charter schools. However, no charter school or

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1709 charter lab school shall receive state charter school capital  
1710 outlay funds in excess of the one-fifteenth cost per student  
1711 station formula if the charter school's combination of state  
1712 charter school capital outlay funds, capital outlay funds  
1713 calculated through the reduction in the administrative fee  
1714 provided in s. 1002.33(20), and capital outlay funds allowed in  
1715 s. 1002.32(9)(e) and (h) exceeds the one-fifteenth cost per  
1716 student station formula. Funds shall be distributed on the basis  
1717 of the capital outlay full-time equivalent membership by grade  
1718 level, which shall be calculated by averaging the results of the  
1719 second and third enrollment surveys. The Department of Education  
1720 shall distribute capital outlay funds monthly, beginning in the  
1721 first quarter of the fiscal year, based on one-twelfth of the  
1722 amount the department reasonably expects the charter school to  
1723 receive during that fiscal year. The commissioner shall adjust  
1724 subsequent distributions as necessary to reflect each charter  
1725 school's actual student enrollment as reflected in the second  
1726 and third enrollment surveys. The commissioner shall establish  
1727 the intervals and procedures for determining the projected and  
1728 actual student enrollment of eligible charter schools.

1729 (4)~~(2)~~ A charter school's governing body may use charter  
1730 school capital outlay funds for the following purposes:

- 1731 (a) Purchase of real property.
- 1732 (b) Construction of school facilities.
- 1733 (c) Purchase, lease-purchase, or lease of permanent or  
1734 relocatable school facilities.
- 1735 (d) Purchase of vehicles to transport students to and from  
1736 the charter school.

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1737 (e) Renovation, repair, furnishing, and maintenance of  
1738 school facilities that the charter school owns or is purchasing  
1739 through a lease-purchase or long-term lease of 5 years or longer  
1740 and purchasing equipment for such facilities.

1741  
1742 Conversion charter schools may use capital outlay funds received  
1743 through the reduction in the administrative fee provided in s.  
1744 1002.33(20) for renovation, repair, and maintenance of school  
1745 facilities that are owned by the sponsor.

1746 (5)~~(3)~~ When a charter school is nonrenewed or terminated,  
1747 any unencumbered funds and all equipment and property purchased  
1748 with district public funds shall revert to the ownership of the  
1749 district school board, as provided for in s. 1002.33(8)(e) and  
1750 (f). In the case of a charter lab school, any unencumbered funds  
1751 and all equipment and property purchased with university public  
1752 funds shall revert to the ownership of the state university that  
1753 issued the charter. The reversion of such equipment, property,  
1754 and furnishings shall focus on recoverable assets, but not on  
1755 intangible or irrecoverable costs such as rental or leasing  
1756 fees, normal maintenance, and limited renovations. The reversion  
1757 of all property secured with public funds is subject to the  
1758 complete satisfaction of all lawful liens or encumbrances. If  
1759 there are additional local issues such as the shared use of  
1760 facilities or partial ownership of facilities or property, these  
1761 issues shall be agreed to in the charter contract prior to the  
1762 expenditure of funds.

1763 (6)~~(4)~~ The Commissioner of Education shall specify  
1764 procedures for submitting and approving requests for funding

1765 under this section and procedures for documenting expenditures.

1766 (7)~~(5)~~ The annual legislative budget request of the  
 1767 Department of Education shall include a request for capital  
 1768 outlay funding for charter schools. The request shall be based  
 1769 on the projected number of students to be served in charter  
 1770 schools who meet the eligibility requirements of this section. A  
 1771 dedicated funding source, if identified in writing by the  
 1772 Commissioner of Education and submitted along with the annual  
 1773 charter school legislative budget request, may be considered an  
 1774 additional source of funding.

1775 (8)~~(6)~~ Unless authorized otherwise by the Legislature,  
 1776 allocation and proration of charter school capital outlay funds  
 1777 shall be made to eligible charter schools by the Commissioner of  
 1778 Education in an amount and in a manner authorized by subsections  
 1779 (2) and (3) ~~subsection (1)~~.

1780 ~~(7) Notwithstanding the provisions of this section,~~  
 1781 ~~beginning in the 2003-2004 fiscal year:~~

1782 ~~(a) If the appropriation for charter school capital outlay~~  
 1783 ~~funds is no greater than the 2002-2003 appropriation, the funds~~  
 1784 ~~shall be allocated according to the formula outlined in~~  
 1785 ~~subsection (1) to:~~

- 1786 ~~1. The same schools that received funding in 2002-2003.~~
- 1787 ~~2. Schools that are an expanded feeder pattern of schools~~  
 1788 ~~that received funding in 2002-2003.~~
- 1789 ~~3. Schools that have an approved charter and are serving~~  
 1790 ~~students at the start of the 2003-2004 school year and either~~  
 1791 ~~incurred long-term financial obligations prior to January 31,~~  
 1792 ~~2003, or began construction on educational facilities prior to~~



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1793 ~~December 31, 2002.~~

1794 ~~(b) If the appropriation for charter school capital outlay~~  
1795 ~~funds is less than the 2002-2003 appropriation, the funds shall~~  
1796 ~~be prorated among the schools eligible in paragraph (a).~~

1797 ~~(c) If the appropriation for charter school capital outlay~~  
1798 ~~funds is greater than the 2002-2003 appropriation, the amount of~~  
1799 ~~funds provided in the 2002-2003 appropriation shall be allocated~~  
1800 ~~according to paragraph (a). First priority for allocating the~~  
1801 ~~amount in excess of the 2002-2003 appropriation shall be to~~  
1802 ~~prorate the excess funds among the charter schools with long-~~  
1803 ~~term debt or long-term lease to the extent that the initial~~  
1804 ~~allocation is insufficient to provide one fifteenth of the cost~~  
1805 ~~per student station specified in s. 1013.64(6)(b), and second~~  
1806 ~~priority shall be to other eligible charter schools.~~

1807 Section 12. Except as otherwise expressly provided in this  
1808 act, this act shall take effect July 1, 2006.