

1                   A bill to be entitled  
2           An act relating to education; amending s. 11.45, F.S.,  
3           relating to audit reports and rules by the Auditor  
4           General; conforming provisions related to changes in the  
5           entities subject to a state of financial emergency;  
6           amending s. 121.091, F.S.; increasing the period of time  
7           during which certain charter school instructional  
8           personnel may participate in the Florida Retirement System  
9           Deferred Retirement Option Program; extending such  
10          participation to certain school district prekindergarten  
11          instructional personnel; deleting an obsolete provision;  
12          amending ss. 218.50 and 218.501, F.S.; conforming  
13          provisions related to changes in the entities subject to a  
14          state of financial emergency; amending ss. 218.503 and  
15          218.504, F.S.; providing that charter technical career  
16          centers are subject to certain requirements in the event  
17          of a financial emergency; requiring that the sponsor and  
18          Legislative Auditing Committee be notified of certain  
19          conditions; providing that the Commissioner of Education  
20          may require a financial recovery plan if certain  
21          conditions exist for a charter school or charter technical  
22          career center; amending s. 1002.33, F.S.; providing for  
23          duties of charter school sponsors and governing boards  
24          when charter schools and charter technical career centers  
25          experience a material financial weakness or a financial  
26          emergency; specifying forms and evaluation instruments to  
27          be used by charter school applicants and sponsors;  
28          revising provisions relating to appeal of a charter school

29 application denial; deleting the auditing requirements and  
30 financial emergency provisions for charter schools;  
31 requiring charter schools to disclose the identity of  
32 relatives of charter school personnel; revising provisions  
33 relating to charter school renewal terms; requiring  
34 charter schools to provide quarterly financial statements;  
35 revising provisions relating to a charter school's annual  
36 report; revising provisions relating to student  
37 eligibility to attend a charter school; providing  
38 requirements for distribution of funds to charter schools;  
39 providing priority to charter schools for the lease or  
40 purchase of public school property and facilities;  
41 requiring a sponsor to provide additional services  
42 relating to school lunches under the federal lunch  
43 program; providing for the disclosure of the performance  
44 of charter schools that are not given a school grade or  
45 school improvement rating; providing reporting  
46 requirements; providing restrictions for the employment of  
47 relatives by charter school personnel; providing that  
48 members of a charter school governing board are subject to  
49 certain standards of conduct and financial disclosure;  
50 amending s. 1002.335, F.S., relating to the Florida  
51 Schools of Excellence Commission; revising provisions  
52 relating to exclusive authority to authorize charter  
53 schools; eliminating the requirement for district school  
54 boards to annually seek continued exclusivity from the  
55 State Board of Education; providing that a grant or denial  
56 of exclusivity shall be effective for 4 fiscal years;

57 specifying additional components of cosponsor agreements;  
58 providing for application of performance disclosure  
59 requirements for charter schools that are not graded or  
60 rated; providing for application of restrictions on the  
61 employment of relatives and certain standards of conduct  
62 and financial disclosure; amending s. 1002.34, F.S.;  
63 providing additional duties for charter technical career  
64 centers, applicants, sponsors, and governing boards;  
65 requiring the Department of Education to offer or arrange  
66 training and assistance to applicants for a charter  
67 technical career center; providing for application of  
68 restrictions on the employment of relatives and certain  
69 standards of conduct and financial disclosure; creating s.  
70 1002.345, F.S.; establishing criteria and requirements for  
71 charter schools and charter technical career centers that  
72 have material financial weaknesses or are in a state of  
73 financial emergency; establishing requirements for charter  
74 schools, charter technical career centers, governing  
75 boards, and sponsors; requiring financial audits of  
76 charter schools and charter technical career centers;  
77 providing for corrective action and financial recovery  
78 plans; providing for duties of auditors, the Commissioner  
79 of Education, and the Department of Education; requiring  
80 the State Board of Education to adopt rules; providing  
81 grounds for termination or nonrenewal of a charter;  
82 amending s. 1011.71, F.S., relating to district school  
83 tax; providing that school boards must share an equitable  
84 amount of capital improvement millage with charter

85 | schools; amending s. 1013.62, F.S.; authorizing additional  
 86 | uses for charter school capital outlay funds; amending s.  
 87 | 1013.735, F.S.; providing charter schools with a specified  
 88 | portion of the appropriation for the Classrooms for Kids  
 89 | Program; providing an effective date.

90 |

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

92 |

93 | Section 1. Paragraph (e) of subsection (7) and subsection  
 94 | (8) of section 11.45, Florida Statutes, are amended to read:

95 | 11.45 Definitions; duties; authorities; reports; rules.--

96 | (7) AUDITOR GENERAL REPORTING REQUIREMENTS.--

97 | (e) The Auditor General shall notify the Governor or the  
 98 | Commissioner of Education, as appropriate, and the Legislative  
 99 | Auditing Committee of any audit report reviewed by the Auditor  
 100 | General pursuant to paragraph (b) which contains a statement  
 101 | that a local governmental entity, charter school, charter  
 102 | technical career center, or district school board has met one or  
 103 | more of the conditions specified in s. 218.503. If the Auditor  
 104 | General requests a clarification regarding information included  
 105 | in an audit report to determine whether a local governmental  
 106 | entity, charter school, charter technical career center, or  
 107 | district school board has met one or more of the conditions  
 108 | specified in s. 218.503, the requested clarification must be  
 109 | provided within 45 days after the date of the request. If the  
 110 | local governmental entity, charter school, charter technical  
 111 | career center, or district school board does not comply with the  
 112 | Auditor General's request, the Auditor General shall notify the

113 Legislative Auditing Committee. If, after obtaining the  
 114 requested clarification, the Auditor General determines that the  
 115 local governmental entity, charter school, charter technical  
 116 career center, or district school board has met one or more of  
 117 the conditions specified in s. 218.503, he or she shall notify  
 118 the Governor or the Commissioner of Education, as appropriate,  
 119 and the Legislative Auditing Committee.

120 (8) RULES OF THE AUDITOR GENERAL.--The Auditor General, in  
 121 consultation with the Board of Accountancy, shall adopt rules  
 122 for the form and conduct of all financial audits performed by  
 123 independent certified public accountants pursuant to ss.  
 124 215.981, 218.39, 1001.453, 1004.28, and 1004.70. The rules for  
 125 audits of local governmental entities, charter schools, charter  
 126 technical career centers, and district school boards must  
 127 include, but are not limited to, requirements for the reporting  
 128 of information necessary to carry out the purposes of the Local  
 129 Governmental Entity, Charter School, Charter Technical Career  
 130 Center, and District School Board Financial Emergencies Act as  
 131 stated in s. 218.501.

132 Section 2. Paragraphs (a) and (b) of subsection (13) of  
 133 section 121.091, Florida Statutes, are amended to read:

134 121.091 Benefits payable under the system.--Benefits may  
 135 not be paid under this section unless the member has terminated  
 136 employment as provided in s. 121.021(39) (a) or begun  
 137 participation in the Deferred Retirement Option Program as  
 138 provided in subsection (13), and a proper application has been  
 139 filed in the manner prescribed by the department. The department  
 140 may cancel an application for retirement benefits when the

141 member or beneficiary fails to timely provide the information  
142 and documents required by this chapter and the department's  
143 rules. The department shall adopt rules establishing procedures  
144 for application for retirement benefits and for the cancellation  
145 of such application when the required information or documents  
146 are not received.

147 (13) DEFERRED RETIREMENT OPTION PROGRAM.--In general, and  
148 subject to the provisions of this section, the Deferred  
149 Retirement Option Program, hereinafter referred to as the DROP,  
150 is a program under which an eligible member of the Florida  
151 Retirement System may elect to participate, deferring receipt of  
152 retirement benefits while continuing employment with his or her  
153 Florida Retirement System employer. The deferred monthly  
154 benefits shall accrue in the System Trust Fund on behalf of the  
155 participant, plus interest compounded monthly, for the specified  
156 period of the DROP participation, as provided in paragraph (c).  
157 Upon termination of employment, the participant shall receive  
158 the total DROP benefits and begin to receive the previously  
159 determined normal retirement benefits. Participation in the DROP  
160 does not guarantee employment for the specified period of DROP.  
161 Participation in the DROP by an eligible member beyond the  
162 initial 60-month period as authorized in this subsection shall  
163 be on an annual contractual basis for all participants.

164 (a) Eligibility of member to participate in the DROP.--All  
165 active Florida Retirement System members in a regularly  
166 established position, and all active members of ~~either~~ the  
167 Teachers' Retirement System established in chapter 238 or the  
168 State and County Officers' and Employees' Retirement System

169 established in chapter 122, which ~~systems~~ are consolidated  
170 within the Florida Retirement System under s. 121.011, are  
171 eligible to elect participation in the DROP if provided that:

172 1. The member is not a renewed member of the Florida  
173 Retirement System under s. 121.122, or a member of the State  
174 Community College System Optional Retirement Program under s.  
175 121.051, the Senior Management Service Optional Annuity Program  
176 under s. 121.055, or the optional retirement program for the  
177 State University System under s. 121.35.

178 2. Except as provided in subparagraph 6., election to  
179 participate is made within 12 months immediately following the  
180 date on which the member first reaches normal retirement date,  
181 or, for a member who reaches normal retirement date ~~based on~~  
182 ~~service~~ before he or she reaches age 62, or age 55 for Special  
183 Risk Class members, election to participate may be deferred to  
184 the 12 months immediately following the date the member attains  
185 57, or age 52 for Special Risk Class members. ~~For a member who~~  
186 ~~first reached normal retirement date or the deferred eligibility~~  
187 ~~date described above prior to the effective date of this~~  
188 ~~section, election to participate shall be made within 12 months~~  
189 ~~after the effective date of this section.~~ A member who fails to  
190 make an election within the ~~such~~ 12-month limitation period  
191 shall forfeit all rights to participate in the DROP. The member  
192 shall advise his or her employer and the division in writing of  
193 the date on which the DROP shall begin. The ~~Such~~ beginning date  
194 may be subsequent to the 12-month election period, but must be  
195 within the 60-month or, ~~with respect to members who are~~  
196 ~~instructional personnel employed by the Florida School for the~~

197 ~~Deaf and the Blind and who have received authorization by the~~  
 198 ~~Board of Trustees of the Florida School for the Deaf and the~~  
 199 ~~Blind to participate in the DROP beyond 60 months, or who are~~  
 200 ~~instructional personnel as defined in s. 1012.01(2)(a) (d) in~~  
 201 ~~grades K-12 and who have received authorization by the district~~  
 202 ~~school superintendent to participate in the DROP beyond 60~~  
 203 ~~months, the 96-month maximum participation limitation period as~~  
 204 ~~provided in subparagraph (b)1. When establishing eligibility of~~  
 205 ~~the member to participate in the DROP for the 60-month or, with~~  
 206 ~~respect to members who are instructional personnel employed by~~  
 207 ~~the Florida School for the Deaf and the Blind and who have~~  
 208 ~~received authorization by the Board of Trustees of the Florida~~  
 209 ~~School for the Deaf and the Blind to participate in the DROP~~  
 210 ~~beyond 60 months, or who are instructional personnel as defined~~  
 211 ~~in s. 1012.01(2)(a) (d) in grades K-12 and who have received~~  
 212 ~~authorization by the district school superintendent to~~  
 213 ~~participate in the DROP beyond 60 months, the 96-month maximum~~  
 214 ~~participation period, the member may elect to include or exclude~~  
 215 ~~any optional service credit purchased by the member from the~~  
 216 ~~total service used to establish the normal retirement date. A~~  
 217 ~~member with dual normal retirement dates is ~~shall be~~ eligible to~~  
 218 ~~elect to participate in DROP within 12 months after attaining~~  
 219 ~~normal retirement date in either class.~~

220 3. The employer of a member electing to participate in the  
 221 DROP, or employers if dually employed, shall acknowledge in  
 222 writing to the division the date the member's participation in  
 223 the DROP begins and the date the member's employment and DROP  
 224 participation will terminate.



225 4. Simultaneous employment of a participant by additional  
 226 Florida Retirement System employers subsequent to the  
 227 commencement of participation in the DROP is ~~shall be~~  
 228 permissible provided such employers acknowledge in writing a  
 229 DROP termination date no later than the participant's existing  
 230 termination date or the 60-month participation ~~limitation~~ period  
 231 as provided in subparagraph (b)1.

232 5. A DROP participant may change employers while  
 233 participating in the DROP, subject to the following:

234 a. A change of employment must take place without a break  
 235 in service so that the member receives salary for each month of  
 236 continuous DROP participation. If a member receives no salary  
 237 during a month, DROP participation shall cease unless the  
 238 employer verifies a continuation of the employment relationship  
 239 for such participant pursuant to s. 121.021(39)(b).

240 b. Such participant and new employer shall notify the  
 241 division of the identity of the new employer on forms required  
 242 by the division ~~as to the identity of the new employer~~.

243 c. The new employer shall acknowledge, in writing, the  
 244 participant's DROP termination date, which may be extended but  
 245 not beyond the original 60-month or, ~~with respect to members who~~  
 246 ~~are instructional personnel employed by the Florida School for~~  
 247 ~~the Deaf and the Blind and who have received authorization by~~  
 248 ~~the Board of Trustees of the Florida School for the Deaf and the~~  
 249 ~~Blind to participate in the DROP beyond 60 months, or who are~~  
 250 ~~instructional personnel as defined in s. 1012.01(2)(a)-(d) in~~  
 251 ~~grades K-12 and who have received authorization by the district~~  
 252 ~~school superintendent to participate in the DROP beyond 60~~

253 ~~months, the~~ 96-month maximum participation period provided in  
254 subparagraph (b)1., shall acknowledge liability for any  
255 additional retirement contributions and interest required if the  
256 participant fails to timely terminate employment, and shall be  
257 subject to the adjustment required in sub-subparagraph (c)5.d.

258 6. Effective July 1, 2001, for instructional personnel as  
259 defined in s. 1012.01~~(2)~~, election to participate in the DROP  
260 may ~~shall~~ be made at any time following the date on which the  
261 member first reaches normal retirement date. The member shall  
262 advise his or her employer and the division in writing of the  
263 date on which the DROP ~~Deferred Retirement Option Program~~ shall  
264 begin. When establishing eligibility of the member to  
265 participate in the DROP for the 60-month or, ~~with respect to~~  
266 ~~members who are instructional personnel employed by the Florida~~  
267 ~~School for the Deaf and the Blind and who have received~~  
268 ~~authorization by the Board of Trustees of the Florida School for~~  
269 ~~the Deaf and the Blind to participate in the DROP beyond 60~~  
270 ~~months, or who are instructional personnel as defined in s.~~  
271 ~~1012.01(2)(a)-(d) in grades K-12 and who have received~~  
272 ~~authorization by the district school superintendent to~~  
273 ~~participate in the DROP beyond 60 months, the~~ 96-month maximum  
274 participation period, as provided in subparagraph (b)1., the  
275 member may elect to include or exclude any optional service  
276 credit purchased by the member from the total service used to  
277 establish the normal retirement date. A member with dual normal  
278 retirement dates is ~~shall~~ be eligible to elect to participate in  
279 either class.

280 (b) Participation in the DROP.--

281           1. An eligible member may elect to participate in the DROP  
 282 for a period not to exceed a maximum of 60 calendar months or,  
 283 with respect to members who are instructional personnel employed  
 284 by the Florida School for the Deaf and the Blind and who have  
 285 received authorization by the Board of Trustees of the Florida  
 286 School for the Deaf and the Blind to participate in the DROP  
 287 beyond 60 months, ~~or~~ who are instructional personnel as defined  
 288 in s. 1012.01(2)(a)-(d) in grades K-12 or classroom teachers for  
 289 prekindergarten students funded under s. 1011.62 and who have  
 290 received authorization by the district school superintendent to  
 291 participate in the DROP beyond 60 calendar months, or who are  
 292 instructional personnel as defined in s. 1012.01(2)(a)-(d) in  
 293 grades K-12 or classroom teachers for prekindergarten students  
 294 funded under s. 1011.62 and who are employed by a charter school  
 295 and who have received authorization from the governing board of  
 296 the charter school to participate in the DROP beyond 60 calendar  
 297 months, 96 calendar months immediately following the date on  
 298 which the member first reaches his or her normal retirement date  
 299 or the date to which he or she is eligible to defer his or her  
 300 election to participate as provided in subparagraph (a)2.  
 301 However, a member who has reached normal retirement date prior  
 302 to the effective date of the DROP is ~~shall be~~ eligible to  
 303 participate in the DROP for up to ~~for a period of time not to~~  
 304 ~~exceed~~ 60 calendar months or, ~~with respect to members who are~~  
 305 ~~instructional personnel employed by the Florida School for the~~  
 306 ~~Deaf and the Blind and who have received authorization by the~~  
 307 ~~Board of Trustees of the Florida School for the Deaf and the~~  
 308 ~~Blind to participate in the DROP beyond 60 months, or who are~~

309 ~~instructional personnel as defined in s. 1012.01(2)(a)-(d) in~~  
 310 ~~grades K-12 and who have received authorization by the district~~  
 311 ~~school superintendent to participate in the DROP beyond 60~~  
 312 ~~calendar months, 96 calendar months,~~ as appropriate, immediately  
 313 following the effective date of the DROP, except that a member  
 314 of the Special Risk Class who has reached normal retirement date  
 315 prior to the effective date of the DROP and whose total accrued  
 316 value exceeds 75 percent of average final compensation as of his  
 317 or her effective date of retirement may ~~shall be eligible to~~  
 318 participate in the DROP for no more than 36 calendar months  
 319 immediately following the effective date of the DROP.

320 2. Upon deciding to participate in the DROP, the member  
 321 shall submit, on forms required by the division:

- 322 a. A written election to participate in the DROP;
- 323 b. Selection of the DROP participation and termination  
 324 dates, which satisfy the limitations stated in paragraph (a) and  
 325 subparagraph 1. The ~~Such~~ termination date must ~~shall~~ be in a  
 326 binding letter of resignation to ~~with~~ the employer, establishing  
 327 a deferred termination date. The member may change the  
 328 termination date within the limitations of subparagraph 1., but  
 329 only with the written approval of the ~~his or her~~ employer;
- 330 c. A properly completed DROP application for service  
 331 retirement as provided in this section; and
- 332 d. Any other information required by the division.

333 3. The DROP participant shall be a retiree under the  
 334 Florida Retirement System for all purposes, except for paragraph  
 335 (5)(f) and subsection (9) and ss. 112.3173, 112.363, 121.053,  
 336 and 121.122. However, participation in the DROP does not alter

337 the participant's employment status and the member is such  
 338 ~~employee shall not be~~ deemed retired from employment until his  
 339 or her deferred resignation is effective and termination occurs  
 340 as provided in s. 121.021(39).

341 4. Elected officers shall be eligible to participate in  
 342 the DROP subject to the following:

343 a. An elected officer who reaches normal retirement date  
 344 during a term of office may defer the election to participate in  
 345 the DROP until the next succeeding term in that office. An such  
 346 elected officer who exercises this option may participate in the  
 347 DROP for up to 60 calendar months or for a period of no longer  
 348 than the such succeeding term of office, whichever is less.

349 b. An elected or a nonelected participant may run for a  
 350 term of office while participating in DROP and, if elected,  
 351 extend the DROP termination date accordingly, except that,  
 352 ~~however,~~ if such additional term of office exceeds the 60-month  
 353 limitation established in subparagraph 1., and the officer does  
 354 not resign from office within the such 60-month limitation, the  
 355 retirement and the participant's DROP shall be null and void as  
 356 provided in sub-subparagraph (c)5.d.

357 c. An elected officer who is dually employed and elects to  
 358 participate in DROP shall be required to satisfy the definition  
 359 of termination within the 60-month or, ~~with respect to members~~  
 360 ~~who are instructional personnel employed by the Florida School~~  
 361 ~~for the Deaf and the Blind and who have received authorization~~  
 362 ~~by the Board of Trustees of the Florida School for the Deaf and~~  
 363 ~~the Blind to participate in the DROP beyond 60 months, or who~~  
 364 ~~are instructional personnel as defined in s. 1012.01(2)(a)-(d)~~

365 ~~in grades K-12 and who have received authorization by the~~  
 366 ~~district school superintendent to participate in the DROP beyond~~  
 367 ~~60 months, the 96-month maximum participation limitation period~~  
 368 as provided in subparagraph 1. for the nonelected position and  
 369 may continue employment as an elected officer as provided in s.  
 370 121.053. The elected officer shall ~~will~~ be enrolled as a renewed  
 371 member in the Elected Officers' Class or the Regular Class, as  
 372 provided in ss. 121.053 and 121.122, on the first day of the  
 373 month after termination of employment in the nonelected position  
 374 and termination of DROP. Distribution of the DROP benefits shall  
 375 be made as provided in paragraph (c).

376 Section 3. Section 218.50, Florida Statutes, is amended to  
 377 read:

378 218.50 Short title.--Sections 218.50-218.504 may be cited  
 379 as the "Local Governmental Entity, Charter School, Charter  
 380 Technical Career Center, and District School Board Financial  
 381 Emergencies Act."

382 Section 4. Section 218.501, Florida Statutes, is amended  
 383 to read:

384 218.501 Purposes.--The purposes of ss. 218.50-218.504 are:

385 (1) To promote the fiscal responsibility of local  
 386 governmental entities, charter schools, charter technical career  
 387 centers, and district school boards.

388 (2) To assist local governmental entities, charter  
 389 schools, charter technical career centers, and district school  
 390 boards in providing essential services without interruption and  
 391 in meeting their financial obligations.

392 (3) To assist local governmental entities, charter

393 schools, charter technical career centers, and district school  
 394 boards through the improvement of local financial management  
 395 procedures.

396 Section 5. Subsections (1), (2), and (4) of section  
 397 218.503, Florida Statutes, are amended to read:

398 218.503 Determination of financial emergency.--

399 (1) Local governmental entities, charter schools, charter  
 400 technical career centers, and district school boards shall be  
 401 subject to review and oversight by the Governor, the charter  
 402 school sponsor, the charter technical career center sponsor, or  
 403 the Commissioner of Education, as appropriate, when any one of  
 404 the following conditions occurs:

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

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

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

414 1. Taxes withheld on the income of employees; or

415 2. Employer and employee contributions for:

416 a. Federal social security; or

417 b. Any pension, retirement, or benefit plan of an  
 418 employee.

419 (d) Failure for one pay period to pay, due to lack of  
 420 funds:

421           1. Wages and salaries owed to employees; or  
 422           2. Retirement benefits owed to former employees.  
 423           (e) An unreserved or total fund balance or retained  
 424 earnings deficit, or unrestricted or total net assets deficit,  
 425 as reported on the balance sheet or statement of net assets on  
 426 the general purpose or fund financial statements, for which  
 427 sufficient resources of the local governmental entity, as  
 428 reported on the balance sheet or statement of net assets on the  
 429 general purpose or fund financial statements, are not available  
 430 to cover the deficit. Resources available to cover reported  
 431 deficits include net assets that are not otherwise restricted by  
 432 federal, state, or local laws, bond covenants, contractual  
 433 agreements, or other legal constraints. Fixed or capital assets,  
 434 the disposal of which would impair the ability of a local  
 435 governmental entity to carry out its functions, are not  
 436 considered resources available to cover reported deficits.  
 437           (2) A local governmental entity shall notify the Governor  
 438 and the Legislative Auditing Committee, a charter school shall  
 439 notify the charter school sponsor and the Legislative Auditing  
 440 Committee, a charter technical career center shall notify the  
 441 charter technical career center sponsor and the Legislative  
 442 Auditing Committee, and a district school board shall notify the  
 443 Commissioner of Education and the Legislative Auditing  
 444 Committee, when one or more of the conditions specified in  
 445 subsection (1) have occurred or will occur if action is not  
 446 taken to assist the local governmental entity, charter school,  
 447 charter technical career center, or district school board. In  
 448 addition, any state agency must, within 30 days after a



449 determination that one or more of the conditions specified in  
450 subsection (1) have occurred or will occur if action is not  
451 taken to assist the local governmental entity, charter school,  
452 charter technical career center, or district school board,  
453 notify the Governor, charter school sponsor, charter technical  
454 career center sponsor, or the Commissioner of Education, as  
455 appropriate, and the Legislative Auditing Committee.

456 (4) (a) Upon notification that one or more of the  
457 conditions in subsection (1) exist, the charter school sponsor  
458 or the sponsor's designee and the Commissioner of Education  
459 shall contact the charter school governing body to determine  
460 what actions have been taken by the charter school governing  
461 body to resolve the condition. The Commissioner of Education may  
462 ~~charter school sponsor has the authority to~~ require and approve  
463 a financial recovery plan, to be prepared by the charter school  
464 governing body, prescribing actions that will cause the charter  
465 school to no longer be subject to this section. ~~The Department~~  
466 ~~of Education shall establish guidelines for developing such~~  
467 ~~plans.~~

468 (b) Upon notification that one or more of the conditions  
469 in subsection (1) exist, the charter technical career center  
470 sponsor or the sponsor's designee and the Commissioner of  
471 Education shall contact the charter technical career center  
472 governing body to determine what actions have been taken by the  
473 charter technical career center governing body to resolve the  
474 condition. The Commissioner of Education may require and approve  
475 a financial recovery plan, to be prepared by the charter  
476 technical career center governing body, prescribing actions that

477 will cause the charter technical career center to no longer be  
 478 subject to this section.

479 (c) The Commissioner of Education shall determine if the  
 480 charter school or charter technical career center needs a  
 481 financial recovery plan to resolve the condition. If the  
 482 Commissioner of Education determines that a financial recovery  
 483 plan is needed, the charter school or charter technical career  
 484 center is considered to be in a state of financial emergency.

485  
 486 The Department of Education, with the involvement of sponsors,  
 487 charter schools, and charter technical career centers, shall  
 488 establish guidelines for developing such plans.

489 Section 6. Section 218.504, Florida Statutes, is amended  
 490 to read:

491 218.504 Cessation of state action.--The Governor or the  
 492 Commissioner of Education, as appropriate, has the authority to  
 493 terminate all state actions pursuant to ss. 218.50-218.504.  
 494 Cessation of state action must not occur until the Governor or  
 495 the Commissioner of Education, as appropriate, has determined  
 496 that:

497 (1) The local governmental entity, charter school, charter  
 498 technical career center, or district school board:

499 (a) Has established and is operating an effective  
 500 financial accounting and reporting system.

501 (b) Has resolved the conditions outlined in s. 218.503(1).

502 (2) None of the conditions outlined in s. 218.503(1)  
 503 exists.

504 Section 7. Paragraph (b) of subsection (5), paragraphs

505 (a), (b), and (d) of subsection (6), paragraphs (a) and (b) of  
 506 subsection (7), paragraphs (g) through (q) of subsection (9),  
 507 paragraph (a) of subsection (10), paragraphs (b) and (c) of  
 508 subsection (17), paragraph (e) of subsection (18), paragraph (a)  
 509 of subsection (20), and subsections (21) and (23) of section  
 510 1002.33, Florida Statutes, are amended, present subsection (24)  
 511 is renumbered as subsection (26), and new subsections (24) and  
 512 (25) are added to that section, to read:

513 1002.33 Charter schools.--

514 (5) SPONSOR; DUTIES.--

515 (b) Sponsor duties.--

516 1.a. The sponsor shall monitor and review the charter  
 517 school in its progress toward the goals established in the  
 518 charter.

519 b. The sponsor shall monitor the revenues and expenditures  
 520 of the charter school and perform the duties provided for in s.  
 521 1002.345.

522 c. The sponsor may approve a charter for a charter school  
 523 before the applicant has secured space, equipment, or personnel,  
 524 if the applicant indicates approval is necessary for it to raise  
 525 working funds.

526 d. The sponsor's policies shall not apply to a charter  
 527 school unless mutually agreed to by both the sponsor and the  
 528 charter school.

529 e. The sponsor shall ensure that the charter is innovative  
 530 and consistent with the state education goals established by s.  
 531 1000.03(5).

532 f. The sponsor shall ensure that the charter school

533 participates in the state's education accountability system. If  
 534 a charter school falls short of performance measures included in  
 535 the approved charter, the sponsor shall report such shortcomings  
 536 to the Department of Education.

537 g. The sponsor shall not be liable for civil damages under  
 538 state law for personal injury, property damage, or death  
 539 resulting from an act or omission of an officer, employee,  
 540 agent, or governing body of the charter school.

541 h. The sponsor shall not be liable for civil damages under  
 542 state law for any employment actions taken by an officer,  
 543 employee, agent, or governing body of the charter school.

544 i. The sponsor's duties to monitor the charter school  
 545 shall not constitute the basis for a private cause of action.

546 j. The sponsor shall not impose additional reporting  
 547 requirements on a charter school without providing reasonable  
 548 and specific justification in writing to the charter school.

549 2. Immunity for the sponsor of a charter school under  
 550 subparagraph 1. applies only with respect to acts or omissions  
 551 not under the sponsor's direct authority as described in this  
 552 section.

553 3. Nothing contained in this paragraph shall be considered  
 554 a waiver of sovereign immunity by a district school board.

555 4. A community college may work with the school district  
 556 or school districts in its designated service area to develop  
 557 charter schools that offer secondary education. These charter  
 558 schools must include an option for students to receive an  
 559 associate degree upon high school graduation. District school  
 560 boards shall cooperate with and assist the community college on

561 the charter application. Community college applications for  
 562 charter schools are not subject to the time deadlines outlined  
 563 in subsection (6) and may be approved by the district school  
 564 board at any time during the year. Community colleges shall not  
 565 report FTE for any students who receive FTE funding through the  
 566 Florida Education Finance Program.

567 (6) APPLICATION PROCESS AND REVIEW.--Charter school  
 568 applications are subject to the following requirements:

569 (a) A person or entity wishing to open a charter school  
 570 shall prepare and submit an application on a form developed by  
 571 the Department of Education, which ~~that~~:

572 1. Demonstrates how the school will use the guiding  
 573 principles and meet the statutorily defined purpose of a charter  
 574 school.

575 2. Provides a detailed curriculum plan that illustrates  
 576 how students will be provided services to attain the Sunshine  
 577 State Standards.

578 3. Contains goals and objectives for improving student  
 579 learning and measuring that improvement. These goals and  
 580 objectives must indicate how much academic improvement students  
 581 are expected to show each year, how success will be evaluated,  
 582 and the specific results to be attained through instruction.

583 4. Describes the reading curriculum and differentiated  
 584 strategies that will be used for students reading at grade level  
 585 or higher and a separate curriculum and strategies for students  
 586 who are reading below grade level. A sponsor shall deny a  
 587 charter if the school does not propose a reading curriculum that  
 588 is consistent with effective teaching strategies that are

589 grounded in scientifically based reading research.

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

596 (b) A sponsor shall receive and review all applications  
597 for a charter school using an evaluation instrument developed by  
598 the Department of Education. Beginning with the 2007-2008 school  
599 year, a sponsor shall receive and consider charter school  
600 applications received on or before August 1 of each calendar  
601 year for charter schools to be opened at the beginning of the  
602 school district's next school year, or to be opened at a time  
603 agreed to by the applicant and the sponsor. A sponsor may  
604 receive applications later than this date if it chooses. A  
605 sponsor may not charge an applicant for a charter any fee for  
606 the processing or consideration of an application, and a sponsor  
607 may not base its consideration or approval of an application  
608 upon the promise of future payment of any kind.

609 1. In order to facilitate an accurate budget projection  
610 process, a sponsor shall be held harmless for FTE students who  
611 are not included in the FTE projection due to approval of  
612 charter school applications after the FTE projection deadline.  
613 In a further effort to facilitate an accurate budget projection,  
614 within 15 calendar days after receipt of a charter school  
615 application, a sponsor shall report to the Department of  
616 Education the name of the applicant entity, the proposed charter

617 school location, and its projected FTE.

618       2. In order to ensure fiscal responsibility, an  
619 application for a charter school shall include a full accounting  
620 of expected assets, a projection of expected sources and amounts  
621 of income, including income derived from projected student  
622 enrollments and from community support, and an expense  
623 projection that includes full accounting of the costs of  
624 operation, including start-up costs.

625       3. A sponsor shall by a majority vote approve or deny an  
626 application no later than 60 calendar days after the application  
627 is received, unless the sponsor and the applicant mutually agree  
628 in writing to temporarily postpone the vote to a specific date,  
629 at which time the sponsor shall by a majority vote approve or  
630 deny the application. If the sponsor fails to act on the  
631 application, an applicant may appeal to the State Board of  
632 Education as provided in paragraph (c). If an application is  
633 denied, the sponsor shall, within 10 calendar days, articulate  
634 in writing the specific reasons, based upon good cause,  
635 supporting its denial of the charter application and shall  
636 provide the letter of denial and supporting documentation to the  
637 applicant and to the Department of Education supporting those  
638 reasons.

639       4. For budget projection purposes, the sponsor shall  
640 report to the Department of Education the approval or denial of  
641 a charter application within 10 calendar days after such  
642 approval or denial. In the event of approval, the report to the  
643 Department of Education shall include the final projected FTE  
644 for the approved charter school.

645           5. Upon approval of a charter application, the initial  
646 startup shall commence with the beginning of the public school  
647 calendar for the district in which the charter is granted unless  
648 the sponsor allows a waiver of this provision for good cause.

649           (d) For charter school applications in school districts  
650 that have not been granted exclusive authority to sponsor  
651 charter schools pursuant to s. 1002.335(5), the right to appeal  
652 an application denial under paragraph (c) shall be contingent on  
653 the applicant having submitted the same or a substantially  
654 similar application to the district school board and the Florida  
655 Schools of Excellence Commission or one of its cosponsors. Any  
656 such applicant whose application is denied by the commission or  
657 one of its cosponsors and ~~subsequent to its denial~~ by the  
658 district school board may exercise its right to appeal the  
659 district school board's denial under paragraph (c) within 30  
660 days after receipt of the commission's or cosponsor's denial or  
661 failure to act on the application. However, the applicant  
662 forfeits its right to appeal under paragraph (c) if it fails to  
663 submit its application to the commission or one of its  
664 cosponsors by August 1 of the school year immediately following  
665 the district school board's denial of the application.

666           (7) CHARTER.--The major issues involving the operation of  
667 a charter school shall be considered in advance and written into  
668 the charter. The charter shall be signed by the governing body  
669 of the charter school and the sponsor, following a public  
670 hearing to ensure community input.

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



- 673           1. The school's mission, the students to be served, and  
674 the ages and grades to be included.
- 675           2. The focus of the curriculum, the instructional methods  
676 to be used, any distinctive instructional techniques to be  
677 employed, and identification and acquisition of appropriate  
678 technologies needed to improve educational and administrative  
679 performance which include a means for promoting safe, ethical,  
680 and appropriate uses of technology which comply with legal and  
681 professional standards. The charter shall ensure that reading is  
682 a primary focus of the curriculum and that resources are  
683 provided to identify and provide specialized instruction for  
684 students who are reading below grade level. The curriculum and  
685 instructional strategies for reading must be consistent with the  
686 Sunshine State Standards and grounded in scientifically based  
687 reading research.
- 688           3. The current incoming baseline standard of student  
689 academic achievement, the outcomes to be achieved, and the  
690 method of measurement that will be used. The criteria listed in  
691 this subparagraph shall include a detailed description for each  
692 of the following:
- 693           a. How the baseline student academic achievement levels  
694 and prior rates of academic progress will be established.
- 695           b. How these baseline rates will be compared to rates of  
696 academic progress achieved by these same students while  
697 attending the charter school.
- 698           c. To the extent possible, how these rates of progress  
699 will be evaluated and compared with rates of progress of other  
700 closely comparable student populations.

701  
702 The district school board is required to provide academic  
703 student performance data to charter schools for each of their  
704 students coming from the district school system, as well as  
705 rates of academic progress of comparable student populations in  
706 the district school system.

707 4. The methods used to identify the educational strengths  
708 and needs of students and how well educational goals and  
709 performance standards are met by students attending the charter  
710 school. Included in the methods is a means for the charter  
711 school to ensure accountability to its constituents by analyzing  
712 student performance data and by evaluating the effectiveness and  
713 efficiency of its major educational programs. Students in  
714 charter schools shall, at a minimum, participate in the  
715 statewide assessment program created under s. 1008.22.

716 5. In secondary charter schools, a method for determining  
717 that a student has satisfied the requirements for graduation in  
718 s. 1003.43.

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

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

723 8. The ways by which the school will achieve a  
724 racial/ethnic balance reflective of the community it serves or  
725 within the racial/ethnic range of other public schools in the  
726 same school district.

727 9. The financial and administrative management of the  
728 school, including a reasonable demonstration of the professional

729 | experience or competence of those individuals or organizations  
730 | applying to operate the charter school or those hired or  
731 | retained to perform such professional services and the  
732 | description of clearly delineated responsibilities and the  
733 | policies and practices needed to effectively manage the charter  
734 | school. A description of internal audit procedures and  
735 | establishment of controls to ensure that financial resources are  
736 | properly managed must be included. Both public sector and  
737 | private sector professional experience shall be equally valid in  
738 | such a consideration.

739 |       10. The asset and liability projections required in the  
740 | application which are incorporated into the charter and which  
741 | shall be compared with information provided in the annual report  
742 | of the charter school. ~~The charter shall ensure that, if a~~  
743 | ~~charter school internal audit or annual financial audit reveals~~  
744 | ~~a state of financial emergency as defined in s. 218.503 or~~  
745 | ~~deficit financial position, the auditors are required to notify~~  
746 | ~~the charter school governing board, the sponsor, and the~~  
747 | ~~Department of Education. The internal auditor shall report such~~  
748 | ~~findings in the form of an exit interview to the principal or~~  
749 | ~~the principal administrator of the charter school and the chair~~  
750 | ~~of the governing board within 7 working days after finding the~~  
751 | ~~state of financial emergency or deficit position. A final report~~  
752 | ~~shall be provided to the entire governing board, the sponsor,~~  
753 | ~~and the Department of Education within 14 working days after the~~  
754 | ~~exit interview. When a charter school is in a state of financial~~  
755 | ~~emergency, the charter school shall file a detailed financial~~  
756 | ~~recovery plan with the sponsor. The department, with the~~

757 ~~involvement of both sponsors and charter schools, shall~~  
758 ~~establish guidelines for developing such plans.~~

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

768 12. The term of the charter which shall provide for  
769 cancellation of the charter if insufficient progress has been  
770 made in attaining the student achievement objectives of the  
771 charter and if it is not likely that such objectives can be  
772 achieved before expiration of the charter. The initial term of a  
773 charter shall be for 4 or 5 years. In order to facilitate access  
774 to long-term financial resources for charter school  
775 construction, charter schools that are operated by a  
776 municipality or other public entity as provided by law are  
777 eligible for up to a 15-year charter, subject to approval by the  
778 district school board. A charter lab school is eligible for a  
779 charter for a term of up to 15 years. In addition, to facilitate  
780 access to long-term financial resources for charter school  
781 construction, charter schools that are operated by a private,  
782 not-for-profit, s. 501(c)(3) status corporation are eligible for  
783 up to a 15-year charter, subject to approval by the district  
784 school board. Such long-term charters remain subject to annual

785 review and may be terminated during the term of the charter, but  
 786 only according to the provisions set forth in subsection (8).

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

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

791 15. The governance structure of the school, including the  
 792 status of the charter school as a public or private employer as  
 793 required in paragraph (12)(i).

794 16. A timetable for implementing the charter which  
 795 addresses the implementation of each element thereof and the  
 796 date by which the charter shall be awarded in order to meet this  
 797 timetable.

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

809 18. Full disclosure of the identity of all relatives  
 810 employed by the charter school who are related to the charter  
 811 school owner, president, chair of the governing board of  
 812 directors, superintendent, governing board member, principal,

813 assistant principal, or any other person employed by the charter  
 814 school having equivalent decisionmaking authority. For the  
 815 purpose of this subparagraph, the term "relative" means father,  
 816 mother, son, daughter, brother, sister, husband, wife, father-  
 817 in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-  
 818 law, sister-in-law, stepfather, stepmother, stepson,  
 819 stepdaughter, stepbrother, stepsister, half brother, or half  
 820 sister.

821 (b)~~1.~~ A charter may be renewed if ~~provided that~~ a program  
 822 review demonstrates that the criteria in paragraph (a) have been  
 823 successfully accomplished and that none of the grounds for  
 824 nonrenewal established by paragraph (8) (a) has been documented.  
 825 In order to facilitate long-term financing for charter school  
 826 construction, a charter school that has operated ~~schools~~  
 827 ~~operating~~ for a minimum of 3 years, that has received a school  
 828 grade of at least a "C" pursuant to s. 1008.34 during the  
 829 previous 3 years, and that demonstrates ~~demonstrating~~ exemplary  
 830 ~~academic programming and~~ fiscal management must be offered are  
 831 ~~eligible for~~ a 15-year charter renewal. Such long-term charter  
 832 is subject to annual review and may be terminated during the  
 833 term of the charter pursuant to subsection (8).

834 ~~2. The 15 year charter renewal that may be granted~~  
 835 ~~pursuant to subparagraph 1. shall be granted to a charter school~~  
 836 ~~that has received a school grade of "A" or "B" pursuant to s.~~  
 837 ~~1008.34 in 3 of the past 4 years and is not in a state of~~  
 838 ~~financial emergency or deficit position as defined by this~~  
 839 ~~section. Such long term charter is subject to annual review and~~  
 840 ~~may be terminated during the term of the charter pursuant to~~

841 ~~subsection (8).~~

842 (9) CHARTER SCHOOL REQUIREMENTS.--

843 ~~(g) A charter school shall provide for an annual financial~~  
 844 ~~audit in accordance with s. 218.39. Financial audits that reveal~~  
 845 ~~a state of financial emergency as defined in s. 218.503 and are~~  
 846 ~~conducted by a certified public accountant or auditor in~~  
 847 ~~accordance with s. 218.39 shall be provided to the governing~~  
 848 ~~body of the charter school within 7 working days after finding~~  
 849 ~~that a state of financial emergency exists. When a charter~~  
 850 ~~school is found to be in a state of financial emergency by a~~  
 851 ~~certified public accountant or auditor, the charter school must~~  
 852 ~~file a detailed financial recovery plan with the sponsor within~~  
 853 ~~30 days after receipt of the audit.~~

854 (g) ~~(h)~~ In order to provide financial information that is  
 855 comparable to that reported for other public schools, charter  
 856 schools are to maintain all financial records which constitute  
 857 their accounting system:

858 1. In accordance with the accounts and codes prescribed in  
 859 the most recent issuance of the publication titled "Financial  
 860 and Program Cost Accounting and Reporting for Florida Schools";  
 861 or

862 2. At the discretion of the charter school governing  
 863 board, a charter school may elect to follow generally accepted  
 864 accounting standards for not-for-profit organizations, but must  
 865 reformat this information for reporting according to this  
 866 paragraph.

867

868 Charter schools shall provide annual financial report and

869 program cost report information in the state-required formats  
 870 for inclusion in district reporting in compliance with s.  
 871 1011.60(1). Charter schools that are operated by a municipality  
 872 or are a component unit of a parent nonprofit organization may  
 873 use the accounting system of the municipality or the parent but  
 874 must reformat this information for reporting according to this  
 875 paragraph. A charter school shall provide quarterly financial  
 876 statements to the sponsor.

877 (h)~~(i)~~ The governing board of the charter school shall  
 878 annually adopt and maintain an operating budget.

879 (i)~~(j)~~ The governing body of the charter school shall  
 880 exercise continuing oversight over charter school operations.

881 (j)~~(k)~~ The governing body of the charter school shall be  
 882 responsible for:

883 1. Ensuring that the charter school has retained the  
 884 services of a certified public accountant or auditor for the  
 885 annual financial audit, pursuant to s. 1002.345(2) ~~paragraph~~  
 886 ~~(g)~~, who shall submit the report to the governing body.

887 2. Reviewing and approving the audit report, including  
 888 audit findings and recommendations for the financial recovery  
 889 plan.

890 3.a. Performing the duties provided for in s. 1002.345,  
 891 including monitoring a corrective action plan.

892 b. Monitoring a financial recovery plan in order to ensure  
 893 compliance.

894 4. Participating in governance training approved by the  
 895 department that must include government in the sunshine,  
 896 conflicts of interest, ethics, and financial responsibility.



897            (k)~~(1)~~ The governing body of the charter school shall  
 898 report its progress annually to its sponsor, which shall forward  
 899 the report to the Commissioner of Education at the same time as  
 900 other annual school accountability reports. The Department of  
 901 Education shall develop a uniform, online annual accountability  
 902 report format to be completed by charter schools. This report  
 903 shall be easy to utilize and contain demographic information,  
 904 student performance data, and financial accountability  
 905 information. A charter school may directly access, complete, and  
 906 correct school data and information in the online accountability  
 907 report. The sponsor shall review the report before final  
 908 submission to ~~shall not be required to provide information and~~  
 909 ~~data that is duplicative and already in the possession of the~~  
 910 department. The Department of Education shall include in its  
 911 compilation a notation if a school failed to file its report by  
 912 the deadline established by the department. The report shall  
 913 include at least the following components:

914            1. Student achievement performance data, including the  
 915 information required for the annual school report and the  
 916 education accountability system governed by ss. 1008.31 and  
 917 1008.345. Charter schools are subject to the same accountability  
 918 requirements as other public schools, including reports of  
 919 student achievement information that links baseline student data  
 920 to the school's performance projections identified in the  
 921 charter. The charter school shall identify reasons for any  
 922 difference between projected and actual student performance.

923            2. Financial status of the charter school which must  
 924 include revenues and expenditures at a level of detail that

925 allows for analysis of the school's ability to meet financial  
 926 obligations and timely repayment of debt.

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

930 4. Descriptive information about the charter school's  
 931 personnel, including salary and benefit levels of charter school  
 932 employees, the proportion of instructional personnel who hold  
 933 professional or temporary certificates, and the proportion of  
 934 instructional personnel teaching in-field or out-of-field.

935 (l)~~(m)~~ A charter school shall not levy taxes or issue  
 936 bonds secured by tax revenues.

937 (m)~~(n)~~ A charter school shall provide instruction for at  
 938 least the number of days required by law for other public  
 939 schools, and may provide instruction for additional days.

940 (n)~~(o)~~ The director and a representative of the governing  
 941 body of a charter school that has received a school grade of "D"  
 942 under s. 1008.34(2) shall appear before the sponsor or the  
 943 sponsor's staff at least once a year to present information  
 944 concerning each contract component having noted deficiencies.  
 945 The sponsor shall communicate at the meeting, and in writing to  
 946 the director, the services provided to the school to help the  
 947 school address its deficiencies.

948 (o)~~(p)~~ Upon notification that a charter school receives a  
 949 school grade of "D" for 2 consecutive years or a school grade of  
 950 "F" under s. 1008.34(2), the charter school sponsor or the  
 951 sponsor's staff shall require the director and a representative  
 952 of the governing body to submit to the sponsor for approval a

953 school improvement plan to raise student achievement and to  
954 implement the plan. The sponsor has the authority to approve a  
955 school improvement plan that the charter school will implement  
956 in the following school year. The sponsor may also consider the  
957 State Board of Education's recommended action pursuant to s.  
958 1008.33(1) as part of the school improvement plan. The  
959 Department of Education shall offer technical assistance and  
960 training to the charter school and its governing body and  
961 establish guidelines for developing, submitting, and approving  
962 such plans.

963 1. If the charter school fails to improve its student  
964 performance from the year immediately prior to the  
965 implementation of the school improvement plan, the sponsor shall  
966 place the charter school on probation and shall require the  
967 charter school governing body to take one of the following  
968 corrective actions:

969 a. Contract for the educational services of the charter  
970 school;

971 b. Reorganize the school at the end of the school year  
972 under a new director or principal who is authorized to hire new  
973 staff and implement a plan that addresses the causes of  
974 inadequate progress; or

975 c. Reconstitute the charter school.

976 2. A charter school that is placed on probation shall  
977 continue the corrective actions required under subparagraph 1.  
978 until the charter school improves its student performance from  
979 the year prior to the implementation of the school improvement  
980 plan.

981 3. Notwithstanding any provision of this paragraph, the  
 982 sponsor may terminate the charter at any time pursuant to the  
 983 provisions of subsection (8).

984 (p) ~~(q)~~ The director and a representative of the governing  
 985 body of a graded charter school that has submitted a school  
 986 improvement plan or has been placed on probation under paragraph  
 987 (o) ~~(p)~~ shall appear before the sponsor or the sponsor's staff  
 988 at least once a year to present information regarding the  
 989 corrective strategies that are being implemented by the school  
 990 pursuant to the school improvement plan. The sponsor shall  
 991 communicate at the meeting, and in writing to the director, the  
 992 services provided to the school to help the school address its  
 993 deficiencies.

994 (10) ELIGIBLE STUDENTS.--

995 (a) A charter school shall be open to any student ~~covered~~  
 996 ~~in an interdistrict agreement or~~ residing in the school district  
 997 in which the charter school is located; however, in the case of  
 998 a charter lab school, the charter lab school shall be open to  
 999 any student eligible to attend the lab school as provided in s.  
 1000 1002.32 or who resides in the school district in which the  
 1001 charter lab school is located. Any ~~eligible~~ student shall be  
 1002 allowed interdistrict transfer to attend a charter school when  
 1003 based on good cause. Good cause shall include, but not be  
 1004 limited to, geographic proximity to a charter school in a  
 1005 neighboring school district.

1006 (17) FUNDING.--Students enrolled in a charter school,  
 1007 regardless of the sponsorship, shall be funded as if they are in  
 1008 a basic program or a special program, the same as students

1009 enrolled in other public schools in the school district. Funding  
 1010 for a charter lab school shall be as provided in s. 1002.32.

1011 (b) The basis for the agreement for funding students  
 1012 enrolled in a charter school shall be the sum of the school  
 1013 district's operating funds from the Florida Education Finance  
 1014 Program as provided in s. 1011.62 and the General Appropriations  
 1015 Act, including gross state and local funds, discretionary  
 1016 lottery funds, and funds from the school district's current  
 1017 operating discretionary millage levy; divided by total funded  
 1018 weighted full-time equivalent students in the school district;  
 1019 multiplied by the weighted full-time equivalent students for the  
 1020 charter school. Charter schools whose students or programs meet  
 1021 the eligibility criteria in law shall be entitled to their  
 1022 proportionate share of categorical program funds included in the  
 1023 total funds available in the Florida Education Finance Program  
 1024 by the Legislature, including transportation. Total funding for  
 1025 each charter school shall be recalculated during the year to  
 1026 reflect the revised calculations under the Florida Education  
 1027 Finance Program by the state and the actual weighted full-time  
 1028 equivalent students reported by the charter school during the  
 1029 full-time equivalent student survey periods designated by the  
 1030 Commissioner of Education. Florida Education Finance Program  
 1031 funds for a charter school must be distributed to the charter  
 1032 school by the district school board within 10 days after receipt  
 1033 from the state.

1034 (c) If the sponsor ~~district school board~~ is providing  
 1035 programs or services to students funded by federal funds, any  
 1036 eligible students enrolled in charter schools in the school

1037 | district shall be provided federal funds for the same level of  
 1038 | service provided students in the schools operated by the  
 1039 | district school board. Pursuant to provisions of 20 U.S.C. 8061  
 1040 | s. 10306, all charter schools shall receive all federal funding  
 1041 | for which the school is otherwise eligible, including Title I  
 1042 | funding and funding under the Individuals with Disabilities  
 1043 | Education Act, not later than 5 months after the charter school  
 1044 | first opens and within 5 months after any subsequent expansion  
 1045 | of enrollment.

1046 | (18) FACILITIES.--

1047 | (e) If a district school board facility or property is  
 1048 | available because it is surplus, marked for disposal, or  
 1049 | otherwise unused, it shall be provided for a charter school's  
 1050 | use on the same basis as it is made available to other public  
 1051 | schools in the district. If a school district closes a public  
 1052 | school, the property and facilities must first be made available  
 1053 | within 60 days, for lease or purchase, to charter schools within  
 1054 | the district to be used for educational purposes. A charter  
 1055 | school receiving property from the school district may not sell  
 1056 | or dispose of such property without written permission of the  
 1057 | school district. Similarly, for an existing public school  
 1058 | converting to charter status, no rental or leasing fee for the  
 1059 | existing facility or for the property normally inventoried to  
 1060 | the conversion school may be charged by the district school  
 1061 | board to the parents and teachers organizing the charter school.  
 1062 | The charter school shall agree to reasonable maintenance  
 1063 | provisions in order to maintain the facility in a manner similar  
 1064 | to district school board standards. The Public Education Capital

1065 Outlay maintenance funds or any other maintenance funds  
 1066 generated by the facility operated as a conversion school shall  
 1067 remain with the conversion school.

1068 (20) SERVICES.--

1069 (a) A sponsor shall provide certain administrative and  
 1070 educational services to charter schools. These services shall  
 1071 include contract management services; full-time equivalent and  
 1072 data reporting services; exceptional student education  
 1073 administration services; services related to eligibility and  
 1074 reporting duties required to ensure that school lunch services  
 1075 under the federal lunch program, consistent with the needs of  
 1076 the charter school, are provided by the school district at the  
 1077 request of the charter school, that any funds due the charter  
 1078 school under the federal lunch program be paid to the charter  
 1079 school as soon as the charter school begins serving food under  
 1080 the federal lunch program, and that the charter school is paid  
 1081 at the same time and in the same manner under the federal lunch  
 1082 program as other public schools serviced by the sponsor or  
 1083 school district; test administration services, including payment  
 1084 of the costs of state-required or district-required student  
 1085 assessments; processing of teacher certificate data services;  
 1086 and information services, including equal access to student  
 1087 information systems that are used by public schools in the  
 1088 district in which the charter school is located. Student  
 1089 performance data for each student in a charter school,  
 1090 including, but not limited to, FCAT scores, standardized test  
 1091 scores, previous public school student report cards, and student  
 1092 performance measures, shall be provided by the sponsor to a

1093 charter school in the same manner provided to other public  
 1094 schools in the district. A total administrative fee for the  
 1095 provision of such services shall be calculated based upon up to  
 1096 5 percent of the available funds defined in paragraph (17)(b)  
 1097 for all students. However, a sponsor may only withhold up to a  
 1098 5-percent administrative fee for enrollment for up to and  
 1099 including 500 students. For charter schools with a population of  
 1100 501 or more students, the difference between the total  
 1101 administrative fee calculation and the amount of the  
 1102 administrative fee withheld may only be used for capital outlay  
 1103 purposes specified in s. 1013.62(2). Sponsors shall not charge  
 1104 charter schools any additional fees or surcharges for  
 1105 administrative and educational services in addition to the  
 1106 maximum 5-percent administrative fee withheld pursuant to this  
 1107 paragraph.

1108 (21) PUBLIC INFORMATION ON CHARTER SCHOOLS.--

1109 (a) The Department of Education shall provide information  
 1110 to the public, directly and through sponsors, both on how to  
 1111 form and operate a charter school and on how to enroll in  
 1112 charter schools once they are created. This information shall  
 1113 include a standard application format, charter format,  
 1114 evaluation instrument, and charter renewal format which shall  
 1115 include the information specified in subsection (7) and shall be  
 1116 developed by consulting and negotiating with ~~both~~ school  
 1117 districts, the Florida Schools of Excellence Commission, and  
 1118 charter schools before implementation. These formats shall be  
 1119 used ~~as guidelines~~ by charter school sponsors.

1120 (b)1. The Department of Education shall report student



1121 assessment data pursuant to s. 1008.34(3)(b) which is reported  
 1122 to schools that receive a school grade pursuant to s. 1008.34 or  
 1123 student assessment data pursuant to s. 1008.341(3) which is  
 1124 reported to alternative schools that receive a school  
 1125 improvement rating pursuant to s. 1008.341 to each charter  
 1126 school that:

1127 a. Does not receive a school grade pursuant to s. 1008.34  
 1128 or a school improvement rating pursuant to s. 1008.341; and

1129 b. Serves at least 10 students who are tested on the  
 1130 statewide assessment test pursuant to s. 1008.22.

1131 2. The charter school shall report the information in  
 1132 subparagraph 1. to each parent of a student at the charter  
 1133 school, the district in which the charter school is located, and  
 1134 the governing board of the charter school. This paragraph does  
 1135 not abrogate the provisions of s. 1002.22, relating to student  
 1136 records, and the requirements of 20 U.S.C. s. 1232g, the Family  
 1137 Educational Rights and Privacy Act.

1138 3.a. Pursuant to this paragraph, the Department of  
 1139 Education shall compare the charter school student performance  
 1140 data for each charter school in subparagraph 1. with the student  
 1141 performance data in traditional public schools in the district  
 1142 in which the charter school is located and other charter schools  
 1143 in the state. For charter alternative schools, the department  
 1144 shall compare the student performance data described in this  
 1145 paragraph with all alternative schools in the state. The  
 1146 comparative data shall be provided by the following grade  
 1147 groupings:

1148 (I) Grades 3 through 5.

1149 (II) Grades 6 through 8.

1150 (III) Grades 9 through 11.

1151 b. Each charter school shall make the information in this  
 1152 paragraph available to the public.

1153 (23) ANALYSIS OF CHARTER SCHOOL PERFORMANCE.--Upon receipt  
 1154 of the annual report required by paragraph (9)(k) ~~(9)(1)~~, the  
 1155 Department of Education shall provide to the State Board of  
 1156 Education, the Commissioner of Education, the Governor, the  
 1157 President of the Senate, and the Speaker of the House of  
 1158 Representatives an analysis and comparison of the overall  
 1159 performance of charter school students, to include all students  
 1160 whose scores are counted as part of the statewide assessment  
 1161 program, versus comparable public school students in the  
 1162 district as determined by the statewide assessment program  
 1163 currently administered in the school district, and other  
 1164 assessments administered pursuant to s. 1008.22(3).

1165 (24) RESTRICTION ON EMPLOYMENT OF RELATIVES.--

1166 (a) This subsection applies to charter school personnel in  
 1167 a charter school operated by a private entity. Charter school  
 1168 personnel in schools operated by a municipality or other public  
 1169 entity are subject to s. 112.3135.

1170 (b) As used in this subsection, the term:

1171 1. "Charter school personnel" means a charter school  
 1172 owner, president, chair of the governing board of directors,  
 1173 superintendent, governing board member, principal, assistant  
 1174 principal, or any other person employed by the charter school  
 1175 having equivalent decisionmaking authority and in whom is vested  
 1176 the authority, or to whom the authority has been delegated, to

1177 appoint, employ, promote, or advance individuals or to recommend  
 1178 individuals for appointment, employment, promotion, or  
 1179 advancement in connection with employment in a charter school,  
 1180 including the authority as a member of a governing board of a  
 1181 charter school to vote on the appointment, employment,  
 1182 promotion, or advancement of individuals.

1183 2. "Relative" means father, mother, son, daughter,  
 1184 brother, sister, husband, wife, father-in-law, mother-in-law,  
 1185 son-in-law, daughter-in-law, brother-in-law, sister-in-law,  
 1186 stepfather, stepmother, stepson, stepdaughter, stepbrother,  
 1187 stepsister, half brother, or half sister.

1188 3. "Supervise" means the appointment, employment,  
 1189 promotion, or advancement of an individual or recommendation of  
 1190 the appointment, employment, promotion, or advancement of an  
 1191 individual.

1192 (c) Charter school personnel may not supervise a relative  
 1193 in the charter school in which the personnel serve unless the  
 1194 governing board of the charter school unanimously waives this  
 1195 provision. Such waiver shall be annually reported by the  
 1196 governing board to the charter school's sponsor and shall be  
 1197 included in the report under paragraph (9) (k).

1198 (25) STANDARDS OF CONDUCT AND FINANCIAL DISCLOSURE.--

1199 (a) A member of a governing board of a charter school,  
 1200 including a charter school operated by a private entity, is  
 1201 subject to the provisions of ss. 112.313(2), (3), (7), (12), and  
 1202 (15) and 112.3143(3).

1203 (b) A member of a governing board of a charter school  
 1204 operated by a municipality or other public entity is subject to

1205 the provisions of s. 112.3144, relating to the disclosure of  
 1206 financial interests.

1207 Section 8. Subsection (5), paragraph (a) of subsection  
 1208 (7), and paragraph (a) of subsection (11) of section 1002.335,  
 1209 Florida Statutes, are amended to read:

1210 1002.335 Florida Schools of Excellence Commission.--

1211 (5) CHARTERING AUTHORITY.--

1212 (a) A charter school applicant may submit an application  
 1213 to the commission only if the school district in which the FSE  
 1214 charter school is to be located has not retained exclusive  
 1215 authority to authorize charter schools as provided in paragraph  
 1216 (e). If a district school board has not retained exclusive  
 1217 authority to authorize charter schools as provided in paragraph  
 1218 (e), the district school board and the commission shall have  
 1219 concurrent authority to authorize charter schools and FSE  
 1220 charter schools, respectively, to be located within the  
 1221 geographic boundaries of the school district. The district  
 1222 school board shall monitor and oversee all charter schools  
 1223 authorized by the district school board pursuant to s. 1002.33.  
 1224 The commission shall monitor and oversee all FSE charter schools  
 1225 sponsored by the commission pursuant to subsection (4).

1226 (b) Paragraph (e) may not be construed to eliminate the  
 1227 ability of a district school board to authorize charter schools  
 1228 pursuant to s. 1002.33. A district school board shall retain the  
 1229 authority to reauthorize and to oversee any charter school that  
 1230 it has authorized, except with respect to any charter school  
 1231 that is converted to an FSE charter school under this section.

1232 (c) For fiscal year 2008-2009 and every 4 fiscal years

1233 thereafter ~~2007-2008 and for each fiscal year thereafter~~, a  
 1234 district school board may seek ~~to retain~~ exclusive authority to  
 1235 authorize charter schools within the geographic boundaries of  
 1236 the school district by presenting to the State Board of  
 1237 Education, on or before March 1 of the fiscal year prior to that  
 1238 for which the exclusive authority is to apply, a written  
 1239 resolution adopted by the district school board indicating the  
 1240 intent to seek ~~retain~~ exclusive authority to authorize charter  
 1241 schools. ~~A district school board may seek to retain the~~  
 1242 ~~exclusive authority to authorize charter schools by presenting~~  
 1243 ~~to the state board the written resolution on or before a date 60~~  
 1244 ~~days after establishment of the commission.~~ The written  
 1245 resolution shall be accompanied by a written description  
 1246 addressing the elements described in paragraph (e). The district  
 1247 school board shall provide a complete copy of the resolution,  
 1248 including the description, to each charter school authorized by  
 1249 the district school board on or before the date it submits the  
 1250 resolution to the state board.

1251 (d) A party may challenge the grant of exclusive authority  
 1252 made by the State Board of Education pursuant to paragraph (e)  
 1253 by filing with the state board a notice of challenge within 30  
 1254 days after the state board grants exclusive authority. The  
 1255 notice shall be accompanied by a specific written description of  
 1256 the basis for the challenge. The challenging party, at the time  
 1257 of filing notice with the state board, shall provide a copy of  
 1258 the notice of challenge to the district school board that has  
 1259 been granted exclusive authority. The state board shall permit  
 1260 the district school board the opportunity to appear and respond

1261 in writing to the challenge. The state board shall make a  
 1262 determination upon the challenge within 60 days after receiving  
 1263 the notice of challenge.

1264 (e) The State Board of Education shall grant to a district  
 1265 school board exclusive authority to authorize charter schools  
 1266 within the geographic boundaries of the school district if the  
 1267 state board determines, after adequate notice, in a public  
 1268 hearing, and after receiving input from any charter school  
 1269 authorized by the district school board, that the district  
 1270 school board has provided fair and equitable treatment to its  
 1271 charter schools during the 4 years prior to the district school  
 1272 board's submission of the resolution described in paragraph (c).  
 1273 The state board's review of the resolution shall, at a minimum,  
 1274 include consideration of the following:

- 1275 1. Compliance with the provisions of s. 1002.33.
- 1276 2. Compliance with full and accurate accounting practices  
 1277 and charges for central administrative overhead costs.
- 1278 3. Compliance with requirements allowing a charter school,  
 1279 at its discretion, to purchase certain services or a combination  
 1280 of services at actual cost to the district.
- 1281 4. The absence of a district school board moratorium  
 1282 regarding charter schools or the absence of any districtwide  
 1283 charter school enrollment limits.
- 1284 5. Compliance with valid orders of the state board.
- 1285 6. The provision of assistance to charter schools to meet  
 1286 their facilities needs by including those needs in local bond  
 1287 issues or otherwise providing available land and facilities that  
 1288 are comparable to those provided to other public school students

1289 | in the same grade levels within the school district.

1290 |         7. The distribution to charter schools authorized by the  
 1291 | district school board of a pro rata share of federal and state  
 1292 | grants received by the district school board, except for any  
 1293 | grant received for a particular purpose which, by its express  
 1294 | terms, is intended to benefit a student population not able to  
 1295 | be served by, or a program not able to be offered at, a charter  
 1296 | school that did not receive a proportionate share of such grant  
 1297 | proceeds.

1298 |         8. The provision of adequate staff and other resources to  
 1299 | serve charter schools authorized by the district school board,  
 1300 | which services are provided by the district school board at a  
 1301 | cost to the charter schools that does not exceed their actual  
 1302 | cost to the district school board.

1303 |         9. The lack of a policy or practice of imposing individual  
 1304 | charter school enrollment limits, except as otherwise provided  
 1305 | by law.

1306 |         10. The provision of an adequate number of educational  
 1307 | choice programs to serve students exercising their rights to  
 1308 | transfer pursuant to the "No Child Left Behind Act of 2001,"  
 1309 | Pub. L. No. 107-110, and a history of charter school approval  
 1310 | that encourages chartering.

1311 |         (f) The decision of the State Board of Education to grant  
 1312 | or deny exclusive authority to a district school board pursuant  
 1313 | to paragraph (e) shall be effective for 4 fiscal years, shall  
 1314 | not be subject to the provisions of chapter 120, and shall be a  
 1315 | final action subject to judicial review by the district court of  
 1316 | appeal.

1317 (g) For district school boards that have no discernible  
1318 history of authorizing charter schools, the State Board of  
1319 Education may not grant exclusive authority unless the district  
1320 school board demonstrates that no approvable application has  
1321 come before the district school board.

1322 ~~(h) A grant of exclusive authority by the State Board of~~  
1323 ~~Education shall continue so long as a district school board~~  
1324 ~~continues to comply with this section and has presented a~~  
1325 ~~written resolution to the state board as set forth in paragraph~~  
1326 ~~(e).~~

1327 (h) ~~(i)~~ Notwithstanding any other provision of this section  
1328 to the contrary, a district school board may permit the  
1329 establishment of one or more FSE charter schools within the  
1330 geographic boundaries of the school district by adopting a  
1331 favorable resolution and submitting the resolution to the State  
1332 Board of Education. The resolution shall be effective until it  
1333 is rescinded by resolution of the district school board.

1334 (7) COSPONSOR AGREEMENT.--

1335 (a) Upon approval of a cosponsor, the commission and the  
1336 cosponsor shall enter into an agreement that defines the  
1337 cosponsor's rights and obligations and includes the following:

1338 1. An explanation of the personnel, contractual and  
1339 interagency relationships, and potential revenue sources  
1340 referenced in the application as required in paragraph (6)(c).

1341 2. Incorporation of the requirements of equal access for  
1342 all students, including any plans to provide food service or  
1343 transportation reasonably necessary to provide access to as many  
1344 students as possible.



1345           3. Incorporation of the requirement to serve low-income,  
1346 low-performing, gifted, or underserved student populations.

1347           4. An explanation of the academic and financial goals and  
1348 expected outcomes for the cosponsor's charter schools and the  
1349 method and plans by which they will be measured and achieved as  
1350 referenced in the application.

1351           5. The conflict-of-interest policies referenced in the  
1352 application.

1353           6. An explanation of the disposition of facilities and  
1354 assets upon termination and dissolution of a charter school  
1355 approved by the cosponsor.

1356           7.a. A provision requiring the cosponsor to annually  
1357 appear before the commission and provide a report as to the  
1358 information provided pursuant to s. 1002.33(9) (k) ~~(l)~~ for each of  
1359 its charter schools.

1360           b. A provision requiring the cosponsor to perform the  
1361 duties provided for in s. 1002.345.

1362           c. A provision requiring the governing board to perform  
1363 the duties provided for in s. 1002.345, including monitoring the  
1364 corrective action plan.

1365           8. A provision requiring that the cosponsor report the  
1366 student enrollment in each of its sponsored charter schools to  
1367 the district school board of the county in which the school is  
1368 located.

1369           9. A provision requiring that the cosponsor work with the  
1370 commission to provide the necessary reports to the State Board  
1371 of Education.

1372           10. Any other reasonable terms deemed appropriate by the

1373 commission given the unique characteristics of the cosponsor.

1374 (11) APPLICATION OF CHARTER SCHOOL STATUTE.--

1375 (a) The provisions of s. 1002.33(7)-(12), (14), ~~and~~ (16)-  
 1376 (19), (21)(b), (24), and (25) ~~shall~~ apply to the commission and  
 1377 the cosponsors and charter schools approved pursuant to this  
 1378 section.

1379 Section 9. Subsections (4) and (5), paragraphs (d) and (f)  
 1380 of subsection (6), paragraph (c) of subsection (10), and  
 1381 subsection (13) of section 1002.34, Florida Statutes, are  
 1382 amended to read:

1383 1002.34 Charter technical career centers.--

1384 (4) CHARTER.--A sponsor may designate centers as provided  
 1385 in this section. An application to establish a center may be  
 1386 submitted by a sponsor or another organization that is  
 1387 determined, by rule of the State Board of Education, to be  
 1388 appropriate. However, an independent school is not eligible for  
 1389 status as a center. The charter must be signed by the governing  
 1390 body of the center and the sponsor, and must be approved by the  
 1391 district school board and community college board of trustees in  
 1392 whose geographic region the facility is located. If a charter  
 1393 technical career center is established by the conversion to  
 1394 charter status of a public technical center formerly governed by  
 1395 a district school board, the charter status of that center takes  
 1396 precedence in any question of governance. The governance of the  
 1397 center or of any program within the center remains with its  
 1398 board of directors unless the board agrees to a change in  
 1399 governance or its charter is revoked as provided in subsection  
 1400 (15). Such a conversion charter technical career center is not

1401 affected by a change in the governance of public technical  
 1402 centers or of programs within other centers that are or have  
 1403 been governed by district school boards. A charter technical  
 1404 career center, or any program within such a center, that was  
 1405 governed by a district school board and transferred to a  
 1406 community college prior to the effective date of this act is not  
 1407 affected by this provision. An applicant who wishes to establish  
 1408 a center must submit to the district school board or community  
 1409 college board of trustees, or a consortium of one or more of  
 1410 each, an application on a form developed by the Department of  
 1411 Education that includes:

- 1412 (a) The name of the proposed center.
- 1413 (b) The proposed structure of the center, including a list  
 1414 of proposed members of the board of directors or a description  
 1415 of the qualifications for and method of their appointment or  
 1416 election.
- 1417 (c) The workforce development goals of the center, the  
 1418 curriculum to be offered, and the outcomes and the methods of  
 1419 assessing the extent to which the outcomes are met.
- 1420 (d) The admissions policy and criteria for evaluating the  
 1421 admission of students.
- 1422 (e) A description of the staff responsibilities and the  
 1423 proposed qualifications of the teaching staff.
- 1424 (f) A description of the procedures to be implemented to  
 1425 ensure significant involvement of representatives of business  
 1426 and industry in the operation of the center.
- 1427 (g) A method for determining whether a student has  
 1428 satisfied the requirements for graduation specified in s.

1429 1003.43 and for completion of a postsecondary certificate or  
 1430 degree.

1431 (h) A method for granting secondary and postsecondary  
 1432 diplomas, certificates, and degrees.

1433 (i) A description of and address for the physical facility  
 1434 in which the center will be located.

1435 (j) A method of resolving conflicts between the governing  
 1436 body of the center and the sponsor and between consortium  
 1437 members, if applicable.

1438 (k) A method for reporting student data as required by law  
 1439 and rule.

1440 (l) The identity of all relatives employed by the charter  
 1441 technical career center who are related to the center owner,  
 1442 president, chair of the governing board of directors,  
 1443 superintendent, governing board member, principal, assistant  
 1444 principal, or any other person employed by the center who has  
 1445 equivalent decisionmaking authority. As used in this paragraph,  
 1446 the term "relative" means father, mother, son, daughter,  
 1447 brother, sister, husband, wife, father-in-law, mother-in-law,  
 1448 son-in-law, daughter-in-law, brother-in-law, sister-in-law,  
 1449 stepfather, stepmother, stepson, stepdaughter, stepbrother,  
 1450 stepsister, half brother, or half sister.

1451 ~~(m)-(1)~~ Other information required by the district school  
 1452 board or community college board of trustees.

1453  
 1454 Students at a center must meet the same testing and academic  
 1455 performance standards as those established by law and rule for  
 1456 students at public schools and public technical centers. The

1457 students must also meet any additional assessment indicators  
1458 that are included within the charter approved by the district  
1459 school board or community college board of trustees.

1460 (5) APPLICATION.--An application to establish a center  
1461 must be submitted by February 1 of the year preceding the school  
1462 year in which the center will begin operation. The sponsor must  
1463 review the application using an evaluation instrument developed  
1464 by the Department of Education and make a final decision on  
1465 whether to approve the application and grant the charter by  
1466 March 1, and may condition the granting of a charter on the  
1467 center's taking certain actions or maintaining certain  
1468 conditions. Such actions and conditions must be provided to the  
1469 applicant in writing. The district school board or community  
1470 college board of trustees is not required to issue a charter to  
1471 any person.

1472 (6) SPONSOR.--A district school board or community college  
1473 board of trustees or a consortium of one or more of each may  
1474 sponsor a center in the county in which the board has  
1475 jurisdiction.

1476 (d) The Department of Education shall offer or arrange for  
1477 training and technical assistance to applicants in developing  
1478 business plans and estimating costs and income. This assistance  
1479 shall address estimating startup costs, projecting enrollment,  
1480 and identifying the types and amounts of state and federal  
1481 financial assistance the center will be eligible to receive. The  
1482 training shall include instruction in accurate financial  
1483 planning and good business practices ~~may provide technical~~  
1484 ~~assistance to an applicant upon written request.~~

1485 (f) The sponsor shall monitor and review the center's  
 1486 progress toward charter goals and shall monitor the center's  
 1487 revenues and expenditures. The sponsor shall perform the duties  
 1488 provided for in s. 1002.345.

1489 (10) EXEMPTION FROM STATUTES.--

1490 (c) A center must comply with the antidiscrimination  
 1491 provisions of s. 1000.05 and the provisions of s. 1002.33(24)  
 1492 relating to the employment of relatives.

1493 (13) BOARD OF DIRECTORS AUTHORITY.--The board of directors  
 1494 of a center may decide matters relating to the operation of the  
 1495 school, including budgeting, curriculum, and operating  
 1496 procedures, subject to the center's charter. The board of  
 1497 directors is responsible for performing the duties provided for  
 1498 in s. 1002.345, including monitoring the corrective action plan.  
 1499 The board of directors must comply with the provisions of s.  
 1500 1002.33(24) and (25).

1501 Section 10. Section 1002.345, Florida Statutes, is created  
 1502 to read:

1503 1002.345 Determination of material financial weaknesses  
 1504 and financial emergencies for charter schools and charter  
 1505 technical career centers.--This section applies to charter  
 1506 schools operating pursuant to ss. 1002.33 and 1002.335 and to  
 1507 charter technical career centers operating pursuant to s.  
 1508 1002.34.

1509 (1) MATERIAL FINANCIAL WEAKNESS; REQUIREMENTS.--

1510 (a) A charter school and a charter technical career center  
 1511 shall be subject to an expedited review by the sponsor when any  
 1512 one of the following conditions occurs:

- 1513        1. An end-of-year financial deficit greater than the  
 1514 school's combined cash and accounts receivable balances.
- 1515        2. A substantial decline in student enrollment without a  
 1516 commensurate percentage reduction in expenses. A substantial  
 1517 decline is a decline of greater than 25 percent.
- 1518        3. An outstanding debt in excess of the land, property,  
 1519 and equipment balances.
- 1520        4. Failure to meet financial reporting requirements  
 1521 pursuant to s. 1002.33(9), s. 1002.335(7)(a)7., or s.  
 1522 1002.34(14).
- 1523        5. Inadequate financial controls or other adverse  
 1524 financial conditions not corrected in 120 days as identified  
 1525 through an annual audit conducted pursuant to s. 218.39.
- 1526        6. Negative financial findings cited in reports by the  
 1527 Auditor General or the Office of Program Policy Analysis and  
 1528 Government Accountability.
- 1529        (b) A sponsor shall notify the governing board within 7  
 1530 working days when one or more of the conditions specified in  
 1531 paragraph (a) occur.
- 1532        (c) The governing board and the sponsor shall develop a  
 1533 corrective action plan and file the plan with the Commissioner  
 1534 of Education and the Florida Schools of Excellence Commission  
 1535 within 30 working days. If the governing board and the sponsor  
 1536 are unable to agree on a corrective action plan, the State Board  
 1537 of Education shall determine the components of the plan. The  
 1538 governing board shall implement the plan.
- 1539        (d) The governing board shall include the corrective  
 1540 action plan and the status of its implementation in the annual

1541 progress report to the sponsor that is required under s.  
 1542 1002.33(9)(k), s. 1002.335(7)(a)7., or s. 1002.34(14).

1543 (e) If the governing board fails to implement the  
 1544 corrective action plan within 1 year, the State Board of  
 1545 Education shall prescribe any steps necessary for the charter  
 1546 school or the charter technical career center to comply with  
 1547 state requirements.

1548 (f) The chair of the governing board shall annually appear  
 1549 before the State Board of Education and report on the  
 1550 implementation of the State Board of Education's requirements.

1551 (2) FINANCIAL EMERGENCY; DEFICIT FUND BALANCE; DEFICIT NET  
 1552 ASSETS; REQUIREMENTS.--

1553 (a) A charter school and a charter technical career center  
 1554 shall provide for a certified public accountant or auditor to  
 1555 conduct an annual financial audit in accordance with s. 218.39.

1556 (b) The charter shall ensure that, if an annual financial  
 1557 audit of a charter school or charter technical career center  
 1558 reveals that one or more of the conditions in s. 218.503(1) have  
 1559 occurred or will occur if action is not taken or if a charter  
 1560 school or charter technical career center has a deficit fund  
 1561 balance or deficit net assets, the auditor must notify the  
 1562 governing board of the charter school or charter technical  
 1563 career center, as appropriate, the sponsor, and the Commissioner  
 1564 of Education.

1565 (c) When a financial audit conducted by a certified public  
 1566 accountant in accordance with s. 218.39 reveals that one or more  
 1567 of the conditions in s. 218.503(1) have occurred or will occur  
 1568 if action is not taken or when a deficit fund balance or deficit



1569 net assets exist, the auditor shall notify and provide the  
 1570 financial audit to the governing board of the charter school or  
 1571 charter technical career center, as appropriate, the sponsor,  
 1572 and the Commissioner of Education within 7 working days after  
 1573 the finding is made.

1574 (3) REPORT.--The Commissioner of Education shall annually  
 1575 report to the State Board of Education each charter school and  
 1576 charter technical career center that is subject to a financial  
 1577 recovery plan or a corrective action plan under this section.

1578 (4) RULES.--The State Board of Education shall adopt rules  
 1579 for developing financial recovery and corrective action plans.

1580 (5) TECHNICAL ASSISTANCE.--The Department of Education  
 1581 shall provide technical assistance to charter schools, charter  
 1582 technical career centers, governing boards, and sponsors in  
 1583 developing financial recovery and corrective action plans.

1584 (6) FAILURE TO CORRECT DEFICIENCIES.--The sponsor may  
 1585 choose not to renew or may terminate a charter if the charter  
 1586 school or charter technical career center fails to correct the  
 1587 deficiencies noted in the corrective action plan within 1 year  
 1588 or exhibits one or more financial emergency conditions as  
 1589 provided in s. 218.503 for 2 consecutive years.

1590 Section 11. Subsection (2) of section 1011.71, Florida  
 1591 Statutes, is amended to read:

1592 1011.71 District school tax.--

1593 (2) In addition to the maximum millage levy as provided in  
 1594 subsection (1), each school board may levy not more than 2 mills  
 1595 against the taxable value for school purposes for district  
 1596 schools, including charter schools. Each school board shall

1597 determine an equitable amount of revenue generated under this  
 1598 subsection which shall be shared with the charter schools  
 1599 located within its district. Revenue under this subsection may  
 1600 be used ~~at the discretion of the school board,~~ to fund:

1601 (a) New construction and remodeling projects, as set forth  
 1602 in s. 1013.64(3)(b) and (6)(b) and included in the district's  
 1603 educational plant survey pursuant to s. 1013.31, without regard  
 1604 to prioritization, sites and site improvement or expansion to  
 1605 new sites, existing sites, auxiliary facilities, athletic  
 1606 facilities, or ancillary facilities.

1607 (b) Maintenance, renovation, and repair of existing school  
 1608 plants or of leased facilities to correct deficiencies pursuant  
 1609 to s. 1013.15(2).

1610 (c) The purchase, lease-purchase, or lease of school  
 1611 buses.

1612 (d) The purchase, lease-purchase, or lease of new and  
 1613 replacement equipment.

1614 (e) Payments for educational facilities and sites due  
 1615 under a lease-purchase agreement entered into by a district  
 1616 school board pursuant to s. 1003.02(1)(f) or s. 1013.15(2), not  
 1617 exceeding, in the aggregate, an amount equal to three-fourths of  
 1618 the proceeds from the millage levied by a district school board  
 1619 pursuant to this subsection.

1620 (f) Payment of loans approved pursuant to ss. 1011.14 and  
 1621 1011.15.

1622 (g) Payment of costs directly related to complying with  
 1623 state and federal environmental statutes, rules, and regulations  
 1624 governing school facilities.

1625 (h) Payment of costs of leasing relocatable educational  
 1626 facilities, of renting or leasing educational facilities and  
 1627 sites pursuant to s. 1013.15(2), or of renting or leasing  
 1628 buildings or space within existing buildings pursuant to s.  
 1629 1013.15(4).

1630 (i) Payment of the cost of school buses when a school  
 1631 district contracts with a private entity to provide student  
 1632 transportation services if the district meets the requirements  
 1633 of this paragraph.

1634 1. The district's contract must require that the private  
 1635 entity purchase, lease-purchase, or lease, and operate and  
 1636 maintain, one or more school buses of a specific type and size  
 1637 that meet the requirements of s. 1006.25.

1638 2. Each such school bus must be used for the daily  
 1639 transportation of public school students in the manner required  
 1640 by the school district.

1641 3. Annual payment for each such school bus may not exceed  
 1642 10 percent of the purchase price of the state pool bid.

1643 4. The proposed expenditure of the funds for this purpose  
 1644 must have been included in the district school board's notice of  
 1645 proposed tax for school capital outlay as provided in s.  
 1646 200.065(10).

1647 (j) Payment of the cost of the opening day collection for  
 1648 the library media center of a new school.

1649 Section 12. Paragraph (f) is added to subsection (2) of  
 1650 section 1013.62, Florida Statutes, to read:

1651 1013.62 Charter schools capital outlay funding.--

1652 (2) A charter school's governing body may use charter

1653 school capital outlay funds for the following purposes:

1654 (f) Any of the purposes set forth in s. 1011.71(2).

1655

1656 Conversion charter schools may use capital outlay funds received  
 1657 through the reduction in the administrative fee provided in s.  
 1658 1002.33(20) for renovation, repair, and maintenance of school  
 1659 facilities that are owned by the sponsor.

1660 Section 13. Subsection (1) of section 1013.735, Florida  
 1661 Statutes, is amended to read:

1662 1013.735 Classrooms for Kids Program.--

1663 (1) ALLOCATION.--The department shall allocate funds  
 1664 appropriated for the Classrooms for Kids Program. It is the  
 1665 intent of the Legislature that this program be administered as  
 1666 nearly as practicable in the same manner as the capital outlay  
 1667 program authorized under s. 9(a), Art. XII of the State  
 1668 Constitution. Each district school board's share of the annual  
 1669 appropriation for the Classrooms for Kids Program must be  
 1670 calculated according to the following formula:

1671 (a) Twenty-five percent of the appropriation shall be  
 1672 prorated to the districts based on each district's percentage of  
 1673 K-12 base capital outlay full-time equivalent membership,  
 1674 including charter school full-time equivalent membership. Each  
 1675 district shall provide each charter school within the district  
 1676 with its proportionate share of funds under this paragraph.

1677 (b) Sixty-five and 65 percent of the appropriation shall  
 1678 be based on each district's percentage of K-12 growth capital  
 1679 outlay full-time equivalent membership as specified for the  
 1680 allocation of funds from the Public Education Capital Outlay and

CS for HB 1259 &amp; HB 1301

2008

1681 Debt Service Trust Fund by s. 1013.64(3).  
1682        (c)~~(b)~~ Ten percent of the appropriation must be allocated  
1683 among district school boards according to the allocation formula  
1684 in s. 1013.64(1)(a), excluding adult vocational technical  
1685 facilities.  
1686        Section 14. This act shall take effect July 1, 2008.