

1 A bill to be entitled
2 An act relating to charter schools; amending s. 11.45,
3 F.S.; revising Auditor General reporting requirements
4 relating to determination of financial emergency to
5 include reporting of charter technical career centers;
6 amending ss. 218.50, 218.501, 218.503, and 218.504, F.S.;
7 providing that charter technical career centers are
8 subject to certain requirements in the event of a
9 financial emergency; requiring that the sponsor be
10 notified of certain conditions; providing for the
11 development of a financial recovery plan, which may be
12 approved by the Commissioner of Education; amending s.
13 1002.33, F.S.; providing for duties of charter school
14 sponsors and governing boards when charter schools
15 experience a financial weakness or a financial emergency;
16 specifying forms to be used by charter school applicants;
17 requiring applicant training and documentation; deleting
18 the auditing requirements and financial emergency
19 provisions for charter schools; requiring charter schools
20 to disclose the identity of relatives of charter school
21 personnel; providing for a limitation on funding;
22 providing for the disclosure of the performance of charter
23 schools that are not given a school grade or school
24 improvement rating; providing reporting requirements;
25 providing restrictions for the employment of relatives by
26 charter school personnel; providing that members of a
27 charter school governing board are subject to certain
28 standards of conduct and financial disclosure; amending s.

29 | 1002.335, F.S.; eliminating the requirement for district
30 | school boards to annually seek continued exclusivity from
31 | the State Board of Education; providing for challenges to
32 | the exclusivity of district school boards; providing a
33 | rebuttable presumption for district school boards that are
34 | granted exclusivity; specifying additional components of
35 | cosponsor agreements; amending s. 1002.34, F.S.; providing
36 | additional duties for charter technical career centers,
37 | applicants, sponsors, and governing boards; requiring the
38 | Department of Education to offer or arrange training and
39 | assistance to applicants for a charter technical career
40 | center; requiring that an applicant participate in the
41 | training; creating s. 1002.345, F.S.; establishing
42 | criteria and requirements for charter schools and charter
43 | technical career centers that have financial weaknesses or
44 | are in a state of financial emergency; establishing
45 | requirements for charter schools, charter technical career
46 | centers, governing bodies, and sponsors; requiring
47 | financial audits of charter schools and charter technical
48 | career centers; providing for corrective action and
49 | financial recovery plans; providing for duties of
50 | auditors, the Commissioner of Education, and the
51 | Department of Education; requiring the State Board of
52 | Education to adopt rules; providing grounds for
53 | termination or nonrenewal of a charter; providing an
54 | effective date.

55 |
56 | Be It Enacted by the Legislature of the State of Florida:

57
58 Section 1. Paragraph (e) of subsection (7) and subsection
59 (8) of section 11.45, Florida Statutes, are amended to read:
60 11.45 Definitions; duties; authorities; reports; rules.--
61 (7) AUDITOR GENERAL REPORTING REQUIREMENTS.--
62 (e) The Auditor General shall notify the Governor or the
63 Commissioner of Education, as appropriate, and the Legislative
64 Auditing Committee of any audit report reviewed by the Auditor
65 General pursuant to paragraph (b) which contains a statement
66 that a local governmental entity, charter school, charter
67 technical career center, or district school board has met one or
68 more of the conditions specified in s. 218.503. If the Auditor
69 General requests a clarification regarding information included
70 in an audit report to determine whether a local governmental
71 entity, charter school, charter technical career center, or
72 district school board has met one or more of the conditions
73 specified in s. 218.503, the requested clarification must be
74 provided within 45 days after the date of the request. If the
75 local governmental entity, charter school, charter technical
76 career center, or district school board does not comply with the
77 Auditor General's request, the Auditor General shall notify the
78 Legislative Auditing Committee. If, after obtaining the
79 requested clarification, the Auditor General determines that the
80 local governmental entity, charter school, charter technical
81 career center, or district school board has met one or more of
82 the conditions specified in s. 218.503, he or she shall notify
83 the Governor or the Commissioner of Education, as appropriate,
84 and the Legislative Auditing Committee.

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85 (8) RULES OF THE AUDITOR GENERAL.--The Auditor General, in
 86 consultation with the Board of Accountancy, shall adopt rules
 87 for the form and conduct of all financial audits performed by
 88 independent certified public accountants pursuant to ss.
 89 215.981, 218.39, 1001.453, 1004.28, and 1004.70. The rules for
 90 audits of local governmental entities, charter schools, charter
 91 technical career centers, and district school boards must
 92 include, but are not limited to, requirements for the reporting
 93 of information necessary to carry out the purposes of the Local
 94 Governmental Entity, Charter School, Charter Technical Career
 95 Center, and District School Board Financial Emergencies Act as
 96 stated in s. 218.501.

97 Section 2. Section 218.50, Florida Statutes, is amended to
 98 read:

99 218.50 Short title.--Sections 218.50-218.504 may be cited
 100 as the "Local Governmental Entity, Charter School, Charter
 101 Technical Career Center, and District School Board Financial
 102 Emergencies Act."

103 Section 3. Section 218.501, Florida Statutes, is amended
 104 to read:

105 218.501 Purposes.--The purposes of ss. 218.50-218.504 are:

106 (1) To promote the fiscal responsibility of local
 107 governmental entities, charter schools, charter technical career
 108 centers, and district school boards.

109 (2) To assist local governmental entities, charter
 110 schools, charter technical career centers, and district school
 111 boards in providing essential services without interruption and
 112 in meeting their financial obligations.

113 (3) To assist local governmental entities, charter
 114 schools, charter technical career centers, and district school
 115 boards through the improvement of local financial management
 116 procedures.

117 Section 4. Subsections (1), (2), and (4) of section
 118 218.503, Florida Statutes, are amended to read:

119 218.503 Determination of financial emergency.--

120 (1) Local governmental entities, charter schools, charter
 121 technical career centers, and district school boards shall be
 122 subject to review and oversight by the Governor, charter school
 123 sponsor, charter technical career center sponsor, or the
 124 Commissioner of Education, as appropriate, when any one of the
 125 following conditions occurs:

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

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

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

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

136 2. Employer and employee contributions for:

137 a. Federal social security; or

138 b. Any pension, retirement, or benefit plan of an
 139 employee.

140 (d) Failure for one pay period to pay, due to lack of
 141 funds:

- 142 1. Wages and salaries owed to employees; or
- 143 2. Retirement benefits owed to former employees.

144 (e) An unreserved or total fund balance or retained
 145 earnings deficit, or unrestricted or total net assets deficit,
 146 as reported on the balance sheet or statement of net assets on
 147 the general purpose or fund financial statements, for which
 148 sufficient resources of the local governmental entity, as
 149 reported on the balance sheet or statement of net assets on the
 150 general purpose or fund financial statements, are not available
 151 to cover the deficit. Resources available to cover reported
 152 deficits include net assets that are not otherwise restricted by
 153 federal, state, or local laws, bond covenants, contractual
 154 agreements, or other legal constraints. Fixed or capital assets,
 155 the disposal of which would impair the ability of a local
 156 governmental entity to carry out its functions, are not
 157 considered resources available to cover reported deficits.

158 (2) A local governmental entity shall notify the Governor
 159 and the Legislative Auditing Committee, a charter school shall
 160 notify the charter school sponsor and the Legislative Auditing
 161 Committee, a charter technical career center shall notify the
 162 charter technical career center sponsor and the Legislative
 163 Auditing Committee, and a district school board shall notify the
 164 Commissioner of Education and the Legislative Auditing
 165 Committee, when one or more of the conditions specified in
 166 subsection (1) have occurred or will occur if action is not
 167 taken to assist the local governmental entity, charter school,

168 charter technical career center, or district school board. In
 169 addition, any state agency must, within 30 days after a
 170 determination that one or more of the conditions specified in
 171 subsection (1) have occurred or will occur if action is not
 172 taken to assist the local governmental entity, charter school,
 173 charter technical career center, or district school board,
 174 notify the Governor, charter school sponsor, charter technical
 175 career center sponsor, or the Commissioner of Education, as
 176 appropriate, and the Legislative Auditing Committee.

177 (4) (a) Upon notification that one or more of the
 178 conditions in subsection (1) exist, the charter school sponsor
 179 or the sponsor's designee and the Commissioner of Education
 180 shall contact the charter school governing body to determine
 181 what actions have been taken by the charter school governing
 182 body to resolve the condition. The Commissioner of Education
 183 ~~charter school sponsor~~ has the authority to require and approve
 184 a financial recovery plan, to be prepared by the charter school
 185 governing body, prescribing actions that will cause the charter
 186 school to no longer be subject to this section. ~~The Department~~
 187 ~~of Education shall establish guidelines for developing such~~
 188 ~~plans.~~

189 (b) Upon notification that one or more of the conditions
 190 in subsection (1) exist, the charter technical career center
 191 sponsor or the sponsor's designee and the Commissioner of
 192 Education shall contact the charter technical career center
 193 governing body to determine what actions have been taken by the
 194 charter technical career center governing body to resolve the
 195 condition. The Commissioner of Education may require and approve

196 a financial recovery plan, to be prepared by the charter
 197 technical career center governing body, prescribing actions that
 198 will cause the charter technical career center to no longer be
 199 subject to this section.

200 (c) The Commissioner of Education shall determine if the
 201 charter school or charter technical career center needs a
 202 financial recovery plan to resolve the condition. If the
 203 Commissioner of Education determines that a financial recovery
 204 plan is needed, the charter school or charter technical career
 205 center is considered to be in a state of financial emergency.

206
 207 The Department of Education, with the involvement of sponsors,
 208 charter schools, and charter technical career centers, shall
 209 establish guidelines for developing such plans.

210 Section 5. Section 218.504, Florida Statutes, is amended
 211 to read:

212 218.504 Cessation of state action.--The Governor or the
 213 Commissioner of Education, as appropriate, has the authority to
 214 terminate all state actions pursuant to ss. 218.50-218.504.

215 Cessation of state action must not occur until the Governor or
 216 the Commissioner of Education, as appropriate, has determined
 217 that:

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

220 (a) Has established and is operating an effective
 221 financial accounting and reporting system.

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

223 (2) None of the conditions outlined in s. 218.503(1)
 224 exists.

225 Section 6. Paragraph (b) of subsection (5), paragraphs
 226 (a), (b), and (g) of subsection (6), paragraph (a) of subsection
 227 (7), paragraphs (g) through (q) of subsection (9), and
 228 subsections (17), (21), and (23) of section 1002.33, Florida
 229 Statutes, are amended, subsection (24) of that section is
 230 renumbered as subsection (26), and new subsections (24) and (25)
 231 are added to that section, to read:

232 1002.33 Charter schools.--

233 (5) SPONSOR; DUTIES.--

234 (b) Sponsor duties.--

235 1.a. The sponsor shall monitor and review the charter
 236 school in its progress toward the goals established in the
 237 charter.

238 b. The sponsor shall monitor the revenues and expenditures
 239 of the charter school and perform the duties provided for in s.
 240 1002.345.

241 c. The sponsor may approve a charter for a charter school
 242 before the applicant has secured space, equipment, or personnel,
 243 if the applicant indicates approval is necessary for it to raise
 244 working funds.

245 d. The sponsor's policies shall not apply to a charter
 246 school unless mutually agreed to by both the sponsor and the
 247 charter school.

248 e. The sponsor shall ensure that the charter is innovative
 249 and consistent with the state education goals established by s.
 250 1000.03(5).

251 f. The sponsor shall ensure that the charter school
252 participates in the state's education accountability system. If
253 a charter school falls short of performance measures included in
254 the approved charter, the sponsor shall report such shortcomings
255 to the Department of Education.

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

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

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

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

268 2. Immunity for the sponsor of a charter school under
269 subparagraph 1. applies only with respect to acts or omissions
270 not under the sponsor's direct authority as described in this
271 section.

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

274 4. A community college may work with the school district
275 or school districts in its designated service area to develop
276 charter schools that offer secondary education. These charter
277 schools must include an option for students to receive an
278 associate degree upon high school graduation. District school

279 boards shall cooperate with and assist the community college on
 280 the charter application. Community college applications for
 281 charter schools are not subject to the time deadlines outlined
 282 in subsection (6) and may be approved by the district school
 283 board at any time during the year. Community colleges shall not
 284 report FTE for any students who receive FTE funding through the
 285 Florida Education Finance Program.

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

288 (a) A person or entity wishing to open a charter school
 289 shall prepare and submit an application on a form developed by
 290 the Department of Education, in consultation with the Florida
 291 Schools of Excellence Commission, which ~~that~~:

292 1. Demonstrates how the school will use the guiding
 293 principles and meet the statutorily defined purpose of a charter
 294 school.

295 2. Provides a detailed curriculum plan that illustrates
 296 how students will be provided services to attain the Sunshine
 297 State Standards.

298 3. Contains goals and objectives for improving student
 299 learning and measuring that improvement. These goals and
 300 objectives must indicate how much academic improvement students
 301 are expected to show each year, how success will be evaluated,
 302 and the specific results to be attained through instruction.

303 4. Describes the reading curriculum and differentiated
 304 strategies that will be used for students reading at grade level
 305 or higher and a separate curriculum and strategies for students
 306 who are reading below grade level. A sponsor shall deny a

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307 charter if the school does not propose a reading curriculum that
308 is consistent with effective teaching strategies that are
309 grounded in scientifically based reading research.

310 5. Contains an annual financial plan for each year
311 requested by the charter for operation of the school for up to 5
312 years. This plan must contain anticipated fund balances based on
313 revenue projections, a spending plan based on projected revenues
314 and expenses, and a description of controls that will safeguard
315 finances and projected enrollment trends.

316 6. Documents that the applicant has participated in the
317 training provided by the Department of Education.

318 (b) A sponsor shall receive and review all applications
319 for a charter school using an evaluation instrument developed by
320 the Department of Education. Beginning with the 2007-2008 school
321 year, a sponsor shall receive and consider charter school
322 applications received on or before August 1 of each calendar
323 year for charter schools to be opened at the beginning of the
324 school district's next school year, or to be opened at a time
325 agreed to by the applicant and the sponsor. A sponsor may
326 receive applications later than this date if it chooses. A
327 sponsor may not charge an applicant for a charter any fee for
328 the processing or consideration of an application, and a sponsor
329 may not base its consideration or approval of an application
330 upon the promise of future payment of any kind.

331 1. In order to facilitate an accurate budget projection
332 process, a sponsor shall be held harmless for FTE students who
333 are not included in the FTE projection due to approval of
334 charter school applications after the FTE projection deadline.

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335 In a further effort to facilitate an accurate budget projection,
336 within 15 calendar days after receipt of a charter school
337 application, a sponsor shall report to the Department of
338 Education the name of the applicant entity, the proposed charter
339 school location, and its projected FTE.

340 2. In order to ensure fiscal responsibility, an
341 application for a charter school shall include a full accounting
342 of expected assets, a projection of expected sources and amounts
343 of income, including income derived from projected student
344 enrollments and from community support, and an expense
345 projection that includes full accounting of the costs of
346 operation, including start-up costs.

347 3. A sponsor shall by a majority vote approve or deny an
348 application no later than 60 calendar days after the application
349 is received, unless the sponsor and the applicant mutually agree
350 in writing to temporarily postpone the vote to a specific date,
351 at which time the sponsor shall by a majority vote approve or
352 deny the application. If the sponsor fails to act on the
353 application, an applicant may appeal to the State Board of
354 Education as provided in paragraph (c). If an application is
355 denied, the sponsor shall, within 10 calendar days, articulate
356 in writing the specific reasons, based upon good cause,
357 supporting its denial of the charter application and shall
358 provide the letter of denial and supporting documentation to the
359 applicant and to the Department of Education supporting those
360 reasons.

361 4. For budget projection purposes, the sponsor shall
362 report to the Department of Education the approval or denial of

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

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

371 (g)1. The Department of Education shall offer or arrange
 372 for training and technical assistance to charter school
 373 applicants in developing business plans and estimating costs and
 374 income. This assistance shall address estimating startup costs,
 375 projecting enrollment, and identifying the types and amounts of
 376 state and federal financial assistance the charter school will
 377 be eligible to receive. The department may provide other
 378 technical assistance to an applicant upon written request.

379 2. A charter school applicant must participate in the
 380 training provided by the Department of Education prior to filing
 381 an application. The training shall include instruction in
 382 accurate financial planning and good business practices.

383 (7) CHARTER.--The major issues involving the operation of
 384 a charter school shall be considered in advance and written into
 385 the charter. The charter shall be signed by the governing body
 386 of the charter school and the sponsor, following a public
 387 hearing to ensure community input.

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

- 390 1. The school's mission, the students to be served, and
391 the ages and grades to be included.
- 392 2. The focus of the curriculum, the instructional methods
393 to be used, any distinctive instructional techniques to be
394 employed, and identification and acquisition of appropriate
395 technologies needed to improve educational and administrative
396 performance which include a means for promoting safe, ethical,
397 and appropriate uses of technology which comply with legal and
398 professional standards. The charter shall ensure that reading is
399 a primary focus of the curriculum and that resources are
400 provided to identify and provide specialized instruction for
401 students who are reading below grade level. The curriculum and
402 instructional strategies for reading must be consistent with the
403 Sunshine State Standards and grounded in scientifically based
404 reading research.
- 405 3. The current incoming baseline standard of student
406 academic achievement, the outcomes to be achieved, and the
407 method of measurement that will be used. The criteria listed in
408 this subparagraph shall include a detailed description for each
409 of the following:
- 410 a. How the baseline student academic achievement levels
411 and prior rates of academic progress will be established.
- 412 b. How these baseline rates will be compared to rates of
413 academic progress achieved by these same students while
414 attending the charter school.
- 415 c. To the extent possible, how these rates of progress
416 will be evaluated and compared with rates of progress of other
417 closely comparable student populations.

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418 The district school board is required to provide academic
419 student performance data to charter schools for each of their
420 students coming from the district school system, as well as
421 rates of academic progress of comparable student populations in
422 the district school system.

423 4. The methods used to identify the educational strengths
424 and needs of students and how well educational goals and
425 performance standards are met by students attending the charter
426 school. Included in the methods is a means for the charter
427 school to ensure accountability to its constituents by analyzing
428 student performance data and by evaluating the effectiveness and
429 efficiency of its major educational programs. Students in
430 charter schools shall, at a minimum, participate in the
431 statewide assessment program created under s. 1008.22.

432 5. In secondary charter schools, a method for determining
433 that a student has satisfied the requirements for graduation in
434 s. 1003.43.

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

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

439 8. The ways by which the school will achieve a
440 racial/ethnic balance reflective of the community it serves or
441 within the racial/ethnic range of other public schools in the
442 same school district.

443 9. The financial and administrative management of the
444 school, including a reasonable demonstration of the professional
445 experience or competence of those individuals or organizations

446 applying to operate the charter school or those hired or
447 retained to perform such professional services and the
448 description of clearly delineated responsibilities and the
449 policies and practices needed to effectively manage the charter
450 school. A description of internal audit procedures and
451 establishment of controls to ensure that financial resources are
452 properly managed must be included. Both public sector and
453 private sector professional experience shall be equally valid in
454 such a consideration.

455 10. The asset and liability projections required in the
456 application which are incorporated into the charter and which
457 shall be compared with information provided in the annual report
458 of the charter school. ~~The charter shall ensure that, if a~~
459 ~~charter school internal audit or annual financial audit reveals~~
460 ~~a state of financial emergency as defined in s. 218.503 or~~
461 ~~deficit financial position, the auditors are required to notify~~
462 ~~the charter school governing board, the sponsor, and the~~
463 ~~Department of Education. The internal auditor shall report such~~
464 ~~findings in the form of an exit interview to the principal or~~
465 ~~the principal administrator of the charter school and the chair~~
466 ~~of the governing board within 7 working days after finding the~~
467 ~~state of financial emergency or deficit position. A final report~~
468 ~~shall be provided to the entire governing board, the sponsor,~~
469 ~~and the Department of Education within 14 working days after the~~
470 ~~exit interview. When a charter school is in a state of financial~~
471 ~~emergency, the charter school shall file a detailed financial~~
472 ~~recovery plan with the sponsor. The department, with the~~

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

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

484 12. The term of the charter which shall provide for
485 cancellation of the charter if insufficient progress has been
486 made in attaining the student achievement objectives of the
487 charter and if it is not likely that such objectives can be
488 achieved before expiration of the charter. The initial term of a
489 charter shall be for 4 or 5 years. In order to facilitate access
490 to long-term financial resources for charter school
491 construction, charter schools that are operated by a
492 municipality or other public entity as provided by law are
493 eligible for up to a 15-year charter, subject to approval by the
494 district school board. A charter lab school is eligible for a
495 charter for a term of up to 15 years. In addition, to facilitate
496 access to long-term financial resources for charter school
497 construction, charter schools that are operated by a private,
498 not-for-profit, s. 501(c)(3) status corporation are eligible for
499 up to a 15-year charter, subject to approval by the district
500 school board. Such long-term charters remain subject to annual

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

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

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

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

510 16. A timetable for implementing the charter which
 511 addresses the implementation of each element thereof and the
 512 date by which the charter shall be awarded in order to meet this
 513 timetable.

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

525 18. Full disclosure of the identity of all relatives
 526 employed by the charter school who are related to the charter
 527 school owner, president, chairperson of the governing board of
 528 directors, superintendent, governing board member, principal,

529 assistant principal, or any other person employed by the charter
 530 school having equivalent decisionmaking authority. For the
 531 purpose of this subparagraph, the term "relative" means father,
 532 mother, son, daughter, brother, sister, uncle, aunt, first
 533 cousin, nephew, niece, husband, wife, father-in-law, mother-in-
 534 law, son-in-law, daughter-in-law, brother-in-law, sister-in-law,
 535 stepfather, stepmother, stepson, stepdaughter, stepbrother,
 536 stepsister, half brother, or half sister.

537 (9) CHARTER SCHOOL REQUIREMENTS.--

538 ~~(g) A charter school shall provide for an annual financial~~
 539 ~~audit in accordance with s. 218.39. Financial audits that reveal~~
 540 ~~a state of financial emergency as defined in s. 218.503 and are~~
 541 ~~conducted by a certified public accountant or auditor in~~
 542 ~~accordance with s. 218.39 shall be provided to the governing~~
 543 ~~body of the charter school within 7 working days after finding~~
 544 ~~that a state of financial emergency exists. When a charter~~
 545 ~~school is found to be in a state of financial emergency by a~~
 546 ~~certified public accountant or auditor, the charter school must~~
 547 ~~file a detailed financial recovery plan with the sponsor within~~
 548 ~~30 days after receipt of the audit.~~

549 (g) ~~(h)~~ In order to provide financial information that is
 550 comparable to that reported for other public schools, charter
 551 schools are to maintain all financial records which constitute
 552 their accounting system:

553 1. In accordance with the accounts and codes prescribed in
 554 the most recent issuance of the publication titled "Financial
 555 and Program Cost Accounting and Reporting for Florida Schools";
 556 or

557 2. At the discretion of the charter school governing
 558 board, a charter school may elect to follow generally accepted
 559 accounting standards for not-for-profit organizations, but must
 560 reformat this information for reporting according to this
 561 paragraph.

562
 563 Charter schools shall provide annual financial report and
 564 program cost report information in the state-required formats
 565 for inclusion in district reporting in compliance with s.
 566 1011.60(1). Charter schools that are operated by a municipality
 567 or are a component unit of a parent nonprofit organization may
 568 use the accounting system of the municipality or the parent but
 569 must reformat this information for reporting according to this
 570 paragraph. A charter school shall provide monthly financial
 571 statements to the sponsor.

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

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

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

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

582 2. Reviewing and approving the audit report, including
 583 audit findings and recommendations for the financial recovery
 584 plan.

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

587 b. Monitoring a financial recovery plan in order to ensure
 588 compliance.

589 4. Participating in governance training approved by the
 590 department that must include government in the sunshine,
 591 conflicts of interest, ethics, and financial responsibility.

592 (k)~~(l)~~ The governing body of the charter school shall
 593 report its progress annually to its sponsor, which shall forward
 594 the report to the Commissioner of Education at the same time as
 595 other annual school accountability reports. The Department of
 596 Education shall develop a uniform, online annual accountability
 597 report to be completed by charter schools. This report shall be
 598 easy to utilize and contain demographic information, student
 599 performance data, and financial accountability information. A
 600 charter school shall not be required to provide information and
 601 data that is duplicative and already in the possession of the
 602 department. The Department of Education shall include in its
 603 compilation a notation if a school failed to file its report by
 604 the deadline established by the department. The report shall
 605 include at least the following components:

606 1. Student achievement performance data, including the
 607 information required for the annual school report and the
 608 education accountability system governed by ss. 1008.31 and
 609 1008.345. Charter schools are subject to the same accountability
 610 requirements as other public schools, including reports of
 611 student achievement information that links baseline student data
 612 to the school's performance projections identified in the

613 charter. The charter school shall identify reasons for any
 614 difference between projected and actual student performance.

615 2. Financial status of the charter school which must
 616 include revenues and expenditures at a level of detail that
 617 allows for analysis of the ability to meet financial obligations
 618 and timely repayment of debt.

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

622 4. Descriptive information about the charter school's
 623 personnel, including salary and benefit levels of charter school
 624 employees, the proportion of instructional personnel who hold
 625 professional or temporary certificates, and the proportion of
 626 instructional personnel teaching in-field or out-of-field.

627 (1)~~(m)~~ A charter school shall not levy taxes or issue
 628 bonds secured by tax revenues.

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

632 (n)~~(o)~~ The director and a representative of the governing
 633 body of a charter school that has received a school grade of "D"
 634 under s. 1008.34(2) shall appear before the sponsor or the
 635 sponsor's staff at least once a year to present information
 636 concerning each contract component having noted deficiencies.
 637 The sponsor shall communicate at the meeting, and in writing to
 638 the director, the services provided to the school to help the
 639 school address its deficiencies.

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640 (o) ~~(p)~~ Upon notification that a charter school receives a
641 school grade of "D" for 2 consecutive years or a school grade of
642 "F" under s. 1008.34(2), the charter school sponsor or the
643 sponsor's staff shall require the director and a representative
644 of the governing body to submit to the sponsor for approval a
645 school improvement plan to raise student achievement and to
646 implement the plan. The sponsor has the authority to approve a
647 school improvement plan that the charter school will implement
648 in the following school year. The sponsor may also consider the
649 State Board of Education's recommended action pursuant to s.
650 1008.33(1) as part of the school improvement plan. The
651 Department of Education shall offer technical assistance and
652 training to the charter school and its governing body and
653 establish guidelines for developing, submitting, and approving
654 such plans.

655 1. If the charter school fails to improve its student
656 performance from the year immediately prior to the
657 implementation of the school improvement plan, the sponsor shall
658 place the charter school on probation and shall require the
659 charter school governing body to take one of the following
660 corrective actions:

661 a. Contract for the educational services of the charter
662 school;

663 b. Reorganize the school at the end of the school year
664 under a new director or principal who is authorized to hire new
665 staff and implement a plan that addresses the causes of
666 inadequate progress; or

667 c. Reconstitute the charter school.

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668 2. A charter school that is placed on probation shall
669 continue the corrective actions required under subparagraph 1.
670 until the charter school improves its student performance from
671 the year prior to the implementation of the school improvement
672 plan.

673 3. Notwithstanding any provision of this paragraph, the
674 sponsor may terminate the charter at any time pursuant to the
675 provisions of subsection (8).

676 ~~(p)~~ ~~(q)~~ The director and a representative of the governing
677 body of a graded charter school that has submitted a school
678 improvement plan or has been placed on probation under paragraph
679 (o) ~~(p)~~ shall appear before the sponsor or the sponsor's staff
680 at least once a year to present information regarding the
681 corrective strategies that are being implemented by the school
682 pursuant to the school improvement plan. The sponsor shall
683 communicate at the meeting, and in writing to the director, the
684 services provided to the school to help the school address its
685 deficiencies.

686 (17) FUNDING.--Students enrolled in a charter school,
687 regardless of the sponsorship, shall be funded as if they are in
688 a basic program or a special program, the same as students
689 enrolled in other public schools in the school district. Funding
690 for a charter lab school shall be as provided in s. 1002.32. The
691 maximum number of students eligible to be funded in any
692 classroom of any charter school shall be the maximum number
693 prescribed by law.

694 (a) Each charter school shall report its student
695 enrollment to the sponsor as required in s. 1011.62, and in

696 accordance with the definitions in s. 1011.61. The sponsor shall
697 include each charter school's enrollment in the district's
698 report of student enrollment. All charter schools submitting
699 student record information required by the Department of
700 Education shall comply with the Department of Education's
701 guidelines for electronic data formats for such data, and all
702 districts shall accept electronic data that complies with the
703 Department of Education's electronic format.

704 (b) The basis for the agreement for funding students
705 enrolled in a charter school shall be the sum of the school
706 district's operating funds from the Florida Education Finance
707 Program as provided in s. 1011.62 and the General Appropriations
708 Act, including gross state and local funds, discretionary
709 lottery funds, and funds from the school district's current
710 operating discretionary millage levy; divided by total funded
711 weighted full-time equivalent students in the school district;
712 multiplied by the weighted full-time equivalent students for the
713 charter school. Charter schools whose students or programs meet
714 the eligibility criteria in law shall be entitled to their
715 proportionate share of categorical program funds included in the
716 total funds available in the Florida Education Finance Program
717 by the Legislature, including transportation. Total funding for
718 each charter school shall be recalculated during the year to
719 reflect the revised calculations under the Florida Education
720 Finance Program by the state and the actual weighted full-time
721 equivalent students reported by the charter school during the
722 full-time equivalent student survey periods designated by the
723 Commissioner of Education.

724 (c) If the district school board is providing programs or
725 services to students funded by federal funds, any eligible
726 students enrolled in charter schools in the school district
727 shall be provided federal funds for the same level of service
728 provided students in the schools operated by the district school
729 board. Pursuant to provisions of 20 U.S.C. 8061 s. 10306, all
730 charter schools shall receive all federal funding for which the
731 school is otherwise eligible, including Title I funding, not
732 later than 5 months after the charter school first opens and
733 within 5 months after any subsequent expansion of enrollment.

734 (d) District school boards shall make timely and efficient
735 payment and reimbursement to charter schools, including
736 processing paperwork required to access special state and
737 federal funding for which they may be eligible. The district
738 school board may distribute funds to a charter school for up to
739 3 months based on the projected full-time equivalent student
740 membership of the charter school. Thereafter, the results of
741 full-time equivalent student membership surveys shall be used in
742 adjusting the amount of funds distributed monthly to the charter
743 school for the remainder of the fiscal year. The payment shall
744 be issued no later than 10 working days after the district
745 school board receives a distribution of state or federal funds.
746 If a warrant for payment is not issued within 10 working days
747 after receipt of funding by the district school board, the
748 school district shall pay to the charter school, in addition to
749 the amount of the scheduled disbursement, interest at a rate of
750 1 percent per month calculated on a daily basis on the unpaid

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751 balance from the expiration of the 10 working days until such
752 time as the warrant is issued.

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

754 (a) The Department of Education shall provide information
755 to the public, directly and through sponsors, both on how to
756 form and operate a charter school and on how to enroll in
757 charter schools once they are created. This information shall
758 include a standard application format, charter format, and
759 charter renewal format which shall include the information
760 specified in subsection (7) and shall be developed by consulting
761 and negotiating with both school districts and charter schools
762 before implementation. These formats shall be used ~~as guidelines~~
763 by charter school sponsors.

764 (b)1. The Department of Education shall report student
765 assessment data pursuant to s. 1008.34(3)(b) which is reported
766 to schools that receive a school grade pursuant to s. 1008.34 or
767 student assessment data pursuant to s. 1008.341(3) which is
768 reported to alternative schools that receive a school
769 improvement rating pursuant to s. 1008.341 to each charter
770 school that:

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

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

775 2. The charter school shall report the information in
776 subparagraph 1. to each parent of a student at the charter
777 school, the parent of a child on a waiting list for the charter
778 school, the district in which the charter school is located, and

779 the governing board of the charter school. This paragraph does
 780 not abrogate the provisions of s. 1002.22, relating to student
 781 records, and the requirements of 20 U.S.C. s. 1232g, the Family
 782 Educational Rights and Privacy Act.

783 3.a. Pursuant to this paragraph, the Department of
 784 Education shall compare the charter school student performance
 785 data for each charter school in subparagraph 1. with the student
 786 performance data in traditional public schools in the district
 787 in which the charter school is located and other charter schools
 788 in the state. For alternative charter schools, the department
 789 shall compare the student performance data described in this
 790 paragraph with all alternative schools in the state. The
 791 comparative data shall be provided by the following grade
 792 groupings:

- 793 (I) Grades 3 through 5;
- 794 (II) Grades 6 through 8; and
- 795 (III) Grades 9 through 11.

796 b. Each charter school shall provide the information in
 797 this paragraph on its Internet website and also provide notice
 798 to the public in a manner that notifies the community at large,
 799 as provided by rules of the State Board of Education. The State
 800 Board of Education shall adopt rules to administer the notice
 801 requirements of this subparagraph pursuant to ss. 120.536(1) and
 802 120.54. The website shall include, through links or actual
 803 content, other information related to school performance.

804 (23) ANALYSIS OF CHARTER SCHOOL PERFORMANCE.--Upon receipt
 805 of the annual report required by paragraph (9) (k) ~~(l)~~, the
 806 Department of Education shall provide to the State Board of

807 Education, the Commissioner of Education, the Governor, the
 808 President of the Senate, and the Speaker of the House of
 809 Representatives an analysis and comparison of the overall
 810 performance of charter school students, to include all students
 811 whose scores are counted as part of the statewide assessment
 812 program, versus comparable public school students in the
 813 district as determined by the statewide assessment program
 814 currently administered in the school district, and other
 815 assessments administered pursuant to s. 1008.22(3).

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

817 (a) This subsection applies to charter school personnel in
 818 a charter school operated by a private entity. As used in this
 819 subsection, the term:

820 1. "Charter school personnel" means a charter school
 821 owner, president, chairperson of the governing board of
 822 directors, superintendent, governing board member, principal,
 823 assistant principal, or any other person employed by the charter
 824 school having equivalent decisionmaking authority and in whom is
 825 vested the authority, or to whom the authority has been
 826 delegated, to appoint, employ, promote, or advance individuals
 827 or to recommend individuals for appointment, employment,
 828 promotion, or advancement in connection with employment in a
 829 charter school, including the authority as a member of a
 830 governing board of a charter school to vote on the appointment,
 831 employment, promotion, or advancement of individuals.

832 2. "Relative" means father, mother, son, daughter,
 833 brother, sister, uncle, aunt, first cousin, nephew, niece,
 834 husband, wife, father-in-law, mother-in-law, son-in-law,

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835 daughter-in-law, brother-in-law, sister-in-law, stepfather,
836 stepmother, stepson, stepdaughter, stepbrother, stepsister, half
837 brother, or half sister.

838 (b) Charter school personnel may not appoint, employ,
839 promote, or advance, or advocate for appointment, employment,
840 promotion, or advancement, in or to a position in the charter
841 school in which the personnel are serving or over which the
842 personnel exercises jurisdiction or control any individual who
843 is a relative. An individual may not be appointed, employed,
844 promoted, or advanced in or to a position in a charter school if
845 such appointment, employment, promotion, or advancement has been
846 advocated by charter school personnel who serve in or exercise
847 jurisdiction or control over the charter school and who is a
848 relative of the individual or if such appointment, employment,
849 promotion, or advancement is made by the governing board of
850 which a relative of the individual is a member.

851 (c) Mere approval of budgets does not constitute
852 "jurisdiction or control" for the purposes of this subsection.
853 Charter school personnel in schools operated by a municipality
854 or other public entity are subject to the provisions of s.
855 112.3135.

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

857 (a) A member of a governing board of a charter school,
858 including a charter school operated by a private entity, is
859 subject to the provisions of ss. 112.313(2), (3), (7), and (12)
860 and 112.3143(3).

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

863 the provisions of s. 112.3144, relating to the disclosure of
 864 financial interests.

865 Section 7. Subsection (5), paragraph (a) of subsection
 866 (7), paragraph (a) of subsection (11), and subsection (12) of
 867 section 1002.335, Florida Statutes, are amended to read:

868 1002.335 Florida Schools of Excellence Commission.--

869 (5) CHARTERING AUTHORITY.--

870 (a) A charter school applicant may submit an application
 871 to the commission only if the school district in which the FSE
 872 charter school is to be located has not retained exclusive
 873 authority to authorize charter schools as provided in paragraph
 874 (e). If a district school board has not retained exclusive
 875 authority to authorize charter schools as provided in paragraph
 876 (e), the district school board and the commission shall have
 877 concurrent authority to authorize charter schools and FSE
 878 charter schools, respectively, to be located within the
 879 geographic boundaries of the school district. The district
 880 school board shall monitor and oversee all charter schools
 881 authorized by the district school board pursuant to s. 1002.33.
 882 The commission shall monitor and oversee all FSE charter schools
 883 sponsored by the commission pursuant to subsection (4).

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

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890 (c) For fiscal year 2007-2008 and for each fiscal year
891 thereafter, a district school board may seek ~~to retain~~ exclusive
892 authority to authorize charter schools within the geographic
893 boundaries of the school district by presenting to the State
894 Board of Education, on or before March 1 of the fiscal year
895 prior to that for which the exclusive authority is to apply, a
896 written resolution adopted by the district school board
897 indicating the intent to seek ~~retain~~ exclusive authority to
898 authorize charter schools. A district school board may seek ~~to~~
899 ~~retain~~ the exclusive authority to authorize charter schools by
900 presenting to the state board the written resolution on or
901 before a date 60 days after establishment of the commission. The
902 written resolution shall be accompanied by a written description
903 addressing the elements described in paragraph (e). The district
904 school board shall provide a complete copy of the resolution,
905 including the description, to each charter school authorized by
906 the district school board on or before the date it submits the
907 resolution to the state board.

908 (d) A party may challenge the grant of exclusive authority
909 made by the State Board of Education pursuant to paragraph (e)
910 by filing with the state board a notice of challenge within 30
911 days after the state board grants initial exclusive authority.
912 The notice shall be accompanied by a specific written
913 description of the basis for the challenge. The challenging
914 party, at the time of filing notice with the state board, shall
915 provide a copy of the notice of challenge to the district school
916 board that has been granted exclusive authority. The state board
917 shall permit the district school board the opportunity to appear

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918 and respond in writing to the challenge. The state board shall
919 make a determination upon the challenge within 60 days after
920 receiving the notice of challenge.

921 (e) The State Board of Education shall grant to a district
922 school board exclusive authority to authorize charter schools
923 within the geographic boundaries of the school district if the
924 state board determines, after adequate notice, in a public
925 hearing, and after receiving input from any charter school
926 authorized by the district school board, that the district
927 school board has provided fair and equitable treatment to its
928 charter schools during the 4 years prior to the district school
929 board's submission of the resolution described in paragraph (c).
930 The state board's review of the resolution shall, at a minimum,
931 include consideration of the following:

- 932 1. Compliance with the provisions of s. 1002.33.
- 933 2. Compliance with full and accurate accounting practices
934 and charges for central administrative overhead costs.
- 935 3. Compliance with requirements allowing a charter school,
936 at its discretion, to purchase certain services or a combination
937 of services at actual cost to the district.
- 938 4. The absence of a district school board moratorium
939 regarding charter schools or the absence of any districtwide
940 charter school enrollment limits.
- 941 5. Compliance with valid orders of the state board.
- 942 6. The provision of assistance to charter schools to meet
943 their facilities needs by including those needs in local bond
944 issues or otherwise providing available land and facilities that

945 are comparable to those provided to other public school students
946 in the same grade levels within the school district.

947 7. The distribution to charter schools authorized by the
948 district school board of a pro rata share of federal and state
949 grants received by the district school board, except for any
950 grant received for a particular purpose which, by its express
951 terms, is intended to benefit a student population not able to
952 be served by, or a program not able to be offered at, a charter
953 school that did not receive a proportionate share of such grant
954 proceeds.

955 8. The provision of adequate staff and other resources to
956 serve charter schools authorized by the district school board,
957 which services are provided by the district school board at a
958 cost to the charter schools that does not exceed their actual
959 cost to the district school board.

960 9. The lack of a policy or practice of imposing individual
961 charter school enrollment limits, except as otherwise provided
962 by law.

963 10. The provision of an adequate number of educational
964 choice programs to serve students exercising their rights to
965 transfer pursuant to the "No Child Left Behind Act of 2001,"
966 Pub. L. No. 107-110, and a history of charter school approval
967 that encourages chartering.

968 (f) The decision of the State Board of Education pursuant
969 to paragraph (e) shall not be subject to the provisions of
970 chapter 120 and shall be a final action subject to judicial
971 review by the district court of appeal.

972 (g) For district school boards that have no discernible
 973 history of authorizing charter schools, the State Board of
 974 Education may not grant exclusive authority unless the district
 975 school board demonstrates that no approvable application has
 976 come before the district school board.

977 (h) 1. A grant of exclusive authority by the State Board of
 978 Education shall continue so long as a district school board
 979 continues to comply with this section ~~and has presented a~~
 980 ~~written resolution to the state board as set forth in paragraph~~
 981 ~~(e).~~ For purposes of this paragraph, there is established a
 982 rebuttable presumption that a district school board that has
 983 been granted exclusivity is acting in good faith in its capacity
 984 to review applications.

985 2. A party may challenge the grant of exclusive authority
 986 made by the State Board of Education pursuant to this paragraph
 987 by filing with the state board a notice of challenge. The notice
 988 shall be accompanied by a specific written description of the
 989 basis for the challenge. The challenging party, at the time of
 990 filing notice with the state board, shall provide a copy of the
 991 notice of challenge to the district school board that has been
 992 granted exclusive authority. The State Board of Education shall
 993 permit the district school board the opportunity to appear and
 994 respond in writing to the challenge. The state board shall make
 995 a determination upon the challenge within 60 days after
 996 receiving the notice of challenge.

997 (i) Notwithstanding any other provision of this section to
 998 the contrary, a district school board may permit the
 999 establishment of one or more FSE charter schools within the

1000 geographic boundaries of the school district by adopting a
 1001 favorable resolution and submitting the resolution to the State
 1002 Board of Education. The resolution shall be effective until it
 1003 is rescinded by resolution of the district school board.

1004 (7) COSPONSOR AGREEMENT.--

1005 (a) Upon approval of a cosponsor, the commission and the
 1006 cosponsor shall enter into an agreement that defines the
 1007 cosponsor's rights and obligations and includes the following:

1008 1. An explanation of the personnel, contractual and
 1009 interagency relationships, and potential revenue sources
 1010 referenced in the application as required in paragraph (6)(c).

1011 2. Incorporation of the requirements of equal access for
 1012 all students, including any plans to provide food service or
 1013 transportation reasonably necessary to provide access to as many
 1014 students as possible.

1015 3. Incorporation of the requirement to serve low-income,
 1016 low-performing, gifted, or underserved student populations.

1017 4. An explanation of the academic and financial goals and
 1018 expected outcomes for the cosponsor's charter schools and the
 1019 method and plans by which they will be measured and achieved as
 1020 referenced in the application.

1021 5. The conflict-of-interest policies referenced in the
 1022 application.

1023 6. An explanation of the disposition of facilities and
 1024 assets upon termination and dissolution of a charter school
 1025 approved by the cosponsor.

1026 7.a. A provision requiring the cosponsor to annually
 1027 appear before the commission and provide a report as to the

1028 information provided pursuant to s. 1002.33(9) (k) ~~(l)~~ for each of
 1029 its charter schools.

1030 b. A provision requiring the cosponsor to perform the
 1031 duties provided for in s. 1002.345.

1032 c. A provision requiring the governing board to perform
 1033 the duties provided for in s. 1002.345, including monitoring the
 1034 corrective action plan.

1035 8. A provision requiring that the cosponsor report the
 1036 student enrollment in each of its sponsored charter schools to
 1037 the district school board of the county in which the school is
 1038 located.

1039 9. A provision requiring that the cosponsor work with the
 1040 commission to provide the necessary reports to the State Board
 1041 of Education.

1042 10. Any other reasonable terms deemed appropriate by the
 1043 commission given the unique characteristics of the cosponsor.

1044 (11) APPLICATION OF CHARTER SCHOOL STATUTE.--

1045 (a) The provisions of s. 1002.33(7)-(12), (14), ~~and~~ (16)-
 1046 (19), (21)(b), (24), and (25) ~~shall~~ apply to the commission and
 1047 the cosponsors and charter schools approved pursuant to this
 1048 section.

1049 (12) ACCESS TO INFORMATION.--The commission shall provide
 1050 maximum access to information to all parents in the state. It
 1051 shall maintain information systems, including, but not limited
 1052 to, a user-friendly Internet website, that will provide
 1053 information and data necessary for parents to make informed
 1054 decisions, including a link to the information provided in s.
 1055 1002.33(21)(b)3.b. At a minimum, the commission must provide

1056 | parents with information on its accountability standards, links
 1057 | to schools of excellence throughout the state, and public
 1058 | education programs available in the state.

1059 | Section 8. Subsections (4) and (5), paragraphs (d) and (f)
 1060 | of subsection (6), paragraph (c) of subsection (10), and
 1061 | subsection (13) of section 1002.34, Florida Statutes, are
 1062 | amended to read:

1063 | 1002.34 Charter technical career centers.--

1064 | (4) CHARTER.--A sponsor may designate centers as provided
 1065 | in this section. An application to establish a center may be
 1066 | submitted by a sponsor or another organization that is
 1067 | determined, by rule of the State Board of Education, to be
 1068 | appropriate. However, an independent school is not eligible for
 1069 | status as a center. The charter must be signed by the governing
 1070 | body of the center and the sponsor, and must be approved by the
 1071 | district school board and community college board of trustees in
 1072 | whose geographic region the facility is located. If a charter
 1073 | technical career center is established by the conversion to
 1074 | charter status of a public technical center formerly governed by
 1075 | a district school board, the charter status of that center takes
 1076 | precedence in any question of governance. The governance of the
 1077 | center or of any program within the center remains with its
 1078 | board of directors unless the board agrees to a change in
 1079 | governance or its charter is revoked as provided in subsection
 1080 | (15). Such a conversion charter technical career center is not
 1081 | affected by a change in the governance of public technical
 1082 | centers or of programs within other centers that are or have
 1083 | been governed by district school boards. A charter technical

1084 career center, or any program within such a center, that was
 1085 governed by a district school board and transferred to a
 1086 community college prior to the effective date of this act is not
 1087 affected by this provision. An applicant who wishes to establish
 1088 a center must submit to the district school board or community
 1089 college board of trustees, or a consortium of one or more of
 1090 each, an application on a form developed by the Department of
 1091 Education which ~~that~~ includes:

- 1092 (a) The name of the proposed center.
- 1093 (b) The proposed structure of the center, including a list
 1094 of proposed members of the board of directors or a description
 1095 of the qualifications for and method of their appointment or
 1096 election.
- 1097 (c) The workforce development goals of the center, the
 1098 curriculum to be offered, and the outcomes and the methods of
 1099 assessing the extent to which the outcomes are met.
- 1100 (d) The admissions policy and criteria for evaluating the
 1101 admission of students.
- 1102 (e) A description of the staff responsibilities and the
 1103 proposed qualifications of the teaching staff.
- 1104 (f) A description of the procedures to be implemented to
 1105 ensure significant involvement of representatives of business
 1106 and industry in the operation of the center.
- 1107 (g) A method for determining whether a student has
 1108 satisfied the requirements for graduation specified in s.
 1109 1003.43 and for completion of a postsecondary certificate or
 1110 degree.

1111 (h) A method for granting secondary and postsecondary
 1112 diplomas, certificates, and degrees.

1113 (i) A description of and address for the physical facility
 1114 in which the center will be located.

1115 (j) A method of resolving conflicts between the governing
 1116 body of the center and the sponsor and between consortium
 1117 members, if applicable.

1118 (k) A method for reporting student data as required by law
 1119 and rule.

1120 (l) A statement that the applicant has participated in the
 1121 training provided by the Department of Education.

1122 (m) The identity of all relatives employed by the charter
 1123 technical career center who are related to the center owner,
 1124 president, chairperson of the governing board of directors,
 1125 superintendent, governing board member, principal, assistant
 1126 principal, or any other person employed by the center who has
 1127 equivalent decisionmaking authority. As used in this paragraph,
 1128 the term "relative" means father, mother, son, daughter,
 1129 brother, sister, uncle, aunt, first cousin, nephew, niece,
 1130 husband, wife, father-in-law, mother-in-law, son-in-law,
 1131 daughter-in-law, brother-in-law, sister-in-law, stepfather,
 1132 stepmother, stepson, stepdaughter, stepbrother, stepsister, half
 1133 brother, or half sister.

1134 (m)~~(l)~~ Other information required by the district school
 1135 board or community college board of trustees.

1136
 1137 Students at a center must meet the same testing and academic
 1138 performance standards as those established by law and rule for

1139 students at public schools and public technical centers. The
 1140 students must also meet any additional assessment indicators
 1141 that are included within the charter approved by the district
 1142 school board or community college board of trustees.

1143 (5) APPLICATION.--An application to establish a center
 1144 must be submitted by February 1 of the year preceding the school
 1145 year in which the center will begin operation. The sponsor must
 1146 review the application using an evaluation instrument developed
 1147 by the Department of Education and make a final decision on
 1148 whether to approve the application and grant the charter by
 1149 March 1, and may condition the granting of a charter on the
 1150 center's taking certain actions or maintaining certain
 1151 conditions. Such actions and conditions must be provided to the
 1152 applicant in writing. The district school board or community
 1153 college board of trustees is not required to issue a charter to
 1154 any person.

1155 (6) SPONSOR.--A district school board or community college
 1156 board of trustees or a consortium of one or more of each may
 1157 sponsor a center in the county in which the board has
 1158 jurisdiction.

1159 (d) 1. The Department of Education shall offer or arrange
 1160 for training and technical assistance to applicants in
 1161 developing business plans and estimating costs and income. This
 1162 assistance shall address estimating startup costs, projecting
 1163 enrollment, and identifying the types and amounts of state and
 1164 federal financial assistance the center will be eligible to
 1165 receive. The training shall include instruction in accurate
 1166 financial planning and good business practices.

1167 2. An applicant must participate in the training provided
 1168 by the Department of Education prior to filing an application.
 1169 The Department of Education may provide technical assistance to
 1170 an applicant upon written request.

1171 (f) The sponsor shall monitor and review the center's
 1172 progress toward charter goals and shall monitor the center's
 1173 revenues and expenditures. The sponsor shall perform the duties
 1174 provided for in s. 1002.345.

1175 (10) EXEMPTION FROM STATUTES.--

1176 (c) A center must comply with the antidiscrimination
 1177 provisions of s. 1000.05 and the provisions of s. 1002.33(24),
 1178 relating to the employment of relatives.

1179 (13) BOARD OF DIRECTORS AUTHORITY.--The board of directors
 1180 of a center may decide matters relating to the operation of the
 1181 school, including budgeting, curriculum, and operating
 1182 procedures, subject to the center's charter. The board of
 1183 directors is responsible for performing the duties provided for
 1184 in s. 1002.345, including monitoring the corrective action plan.
 1185 The board of directors must comply with the provisions of s.
 1186 1002.33(25).

1187 Section 9. Section 1002.345, Florida Statutes, is created
 1188 to read:

1189 1002.345 Determination of financial weaknesses and
 1190 financial emergencies for charter schools and charter technical
 1191 career centers.--This section applies to charter schools
 1192 operating pursuant to ss. 1002.33 and 1002.335 and to charter
 1193 technical career centers operating pursuant to s. 1002.34.

1194 (1) FINANCIAL WEAKNESS; REQUIREMENTS.--

1195 (a) A charter school and a charter technical career center
 1196 shall be subject to an expedited review by the sponsor when any
 1197 one of the following conditions occurs:

- 1198 1. An end-of-year financial deficit.
- 1199 2. A substantial decline in student enrollment without a
 1200 commensurate reduction in expenses.
- 1201 3. Insufficient revenues to pay current operating
 1202 expenses.
- 1203 4. Insufficient revenues to pay long-term expenses.
- 1204 5. Disproportionate administrative expenses.
- 1205 6. Excessive debt.
- 1206 7. Excessive expenditures.
- 1207 8. Inadequate fund balances or reserves.
- 1208 9. Failure to meet financial reporting requirements
 1209 pursuant to s. 1002.33(9), s. 1002.335(7)(a)7., or s.
 1210 1002.34(14).
- 1211 10. Weak financial controls or other adverse financial
 1212 conditions identified through an internal audit or annual audit
 1213 conducted pursuant to s. 218.39.

1214 11. Negative financial findings cited in reports by the
 1215 Auditor General or the Office of Program Policy Analysis and
 1216 Government Accountability.

1217 (b) A sponsor shall notify the governing board within 7
 1218 working days when one or more of the conditions specified in
 1219 paragraph (a) occur.

1220 (c) The governing board and the sponsor shall develop a
 1221 corrective action plan and file the plan with the Commissioner
 1222 of Education and the Florida Schools of Excellence Commission

1223 within 30 working days. If the governing board and the sponsor
 1224 are unable to agree on a corrective action plan, the State Board
 1225 of Education shall determine the components of the plan. The
 1226 governing board shall implement the plan.

1227 (d) The governing board shall include the corrective
 1228 action plan and the status of its implementation in the annual
 1229 progress report to the sponsor that is required under s.
 1230 1002.33(9)(k), s. 1002.335(7)(a)7., or s. 1002.34(14).

1231 (e) If the governing board fails to implement the
 1232 corrective action plan within 1 year, the State Board of
 1233 Education shall prescribe any steps necessary for the charter
 1234 school or the charter technical career center to comply with
 1235 state requirements.

1236 (f) The chair of the governing board shall annually appear
 1237 before the State Board of Education and report on the
 1238 implementation of the State Board of Education's requirements.

1239 (2) FINANCIAL EMERGENCY; DEFICIT FUND BALANCE; DEFICIT NET
 1240 ASSETS; REQUIREMENTS.--

1241 (a) A charter school and a charter technical career center
 1242 shall provide for a certified public accountant or auditor to
 1243 conduct an annual financial audit in accordance with s. 218.39.

1244 (b) The charter shall ensure that, if an internal audit or
 1245 annual financial audit of a charter school or charter technical
 1246 career center reveals one or more of the conditions in s.
 1247 218.503(1) have occurred or will occur if action is not taken or
 1248 if a charter school or charter technical career center has a
 1249 deficit fund balance or deficit net assets, the auditor must
 1250 notify the governing board of the charter school or charter

1251 technical career center, as appropriate, the sponsor, and the
 1252 Commissioner of Education.

1253 (c) When a financial audit conducted by a certified public
 1254 accountant or auditor in accordance with s. 218.503 reveals that
 1255 one or more of the conditions in s. 218.503(1) have occurred or
 1256 will occur if action is not taken or when a deficit fund balance
 1257 or deficit net assets exist, the auditor shall notify and
 1258 provide the financial audit to the governing board of the
 1259 charter school or charter technical career center, as
 1260 appropriate, the sponsor, and the Commissioner of Education
 1261 within 7 working days after the finding is made.

1262 1. The internal auditor shall:

1263 a. Report the findings in the form of an exit interview
 1264 with the principal or the principal administrator of the charter
 1265 school or the director of the charter technical career center,
 1266 as appropriate, and the chair of the governing board within 7
 1267 working days after the finding is made.

1268 b. Provide a final report to all members of the governing
 1269 board, the sponsor, and the Department of Education within 14
 1270 working days after the exit interview.

1271 2. When the charter school or charter technical career
 1272 center is found to be in a state of financial emergency pursuant
 1273 to s. 218.503, the charter school or charter technical career
 1274 center shall file a detailed financial recovery plan as provided
 1275 for in s. 218.503 with the sponsor within 30 days after being
 1276 notified by the Commissioner of Education that a financial
 1277 recovery plan is needed.

1278 (d) The sponsor shall file a copy of the financial
 1279 recovery plan with the Commissioner of Education and the Florida
 1280 Schools of Excellence Commission.

1281 (e) The governing board shall include the financial
 1282 recovery plan and the status of its implementation in the annual
 1283 progress report to the sponsor which is required under s.
 1284 1002.33(9)(k), s. 1002.335(7)(a)7., or s. 1002.34(14).

1285 (3) REPORT.--The Commissioner of Education shall annually
 1286 report to the State Board of Education each charter school and
 1287 charter technical career center that is subject to a financial
 1288 recovery plan or a corrective action plan under this section.

1289 (4) RULES.--The State Board of Education shall adopt rules
 1290 pursuant to ss. 120.536(1) and 120.54 for developing financial
 1291 recovery and corrective action plans.

1292 (5) TECHNICAL ASSISTANCE.--The Department of Education
 1293 shall provide technical assistance to charter schools, charter
 1294 technical career centers, governing boards, and sponsors in
 1295 developing financial recovery and corrective action plans.

1296 (6) FAILURE TO CORRECT DEFICIENCIES.--The sponsor may
 1297 choose not to renew or may terminate a charter if the charter
 1298 school or charter technical career center fails to correct the
 1299 deficiencies in the corrective action plan within 1 year or
 1300 exhibits one or more financial emergency conditions as provided
 1301 in s. 218.503 for 2 consecutive years.

1302 Section 10. This act shall take effect July 1, 2008.