

Amendment No.

CHAMBER ACTION

Senate

House

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1 Representatives Flores and Legg offered the following:

2
3 **Amendment (with title amendment)**

4 Remove lines 96-1316 and insert:

5 local governmental entities, charter schools, charter technical
6 career centers, and district school boards must include, but are
7 not limited to, requirements for the reporting of information
8 necessary to carry out the purposes of the Local Governmental
9 Entity, Charter School, Charter Technical Career Center, and
10 District School Board Financial Emergencies Act as stated in s.
11 218.501.

12 Section 2. Section 218.50, Florida Statutes, is amended to
13 read:

14 218.50 Short title.--Sections 218.50-218.504 may be cited
15 as the "Local Governmental Entity, Charter School, Charter

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16 Technical Career Center, and District School Board Financial
17 Emergencies Act."

18 Section 3. Section 218.501, Florida Statutes, is amended
19 to read:

20 218.501 Purposes.--The purposes of ss. 218.50-218.504 are:

21 (1) To promote the fiscal responsibility of local
22 governmental entities, charter schools, charter technical career
23 centers, and district school boards.

24 (2) To assist local governmental entities, charter
25 schools, charter technical career centers, and district school
26 boards in providing essential services without interruption and
27 in meeting their financial obligations.

28 (3) To assist local governmental entities, charter
29 schools, charter technical career centers, and district school
30 boards through the improvement of local financial management
31 procedures.

32 Section 4. Subsections (1), (2), and (4) of section
33 218.503, Florida Statutes, are amended to read:

34 218.503 Determination of financial emergency.--

35 (1) Local governmental entities, charter schools, charter
36 technical career centers, and district school boards shall be
37 subject to review and oversight by the Governor, the charter
38 school sponsor, the charter technical career center sponsor, or
39 the Commissioner of Education, as appropriate, when any one of
40 the following conditions occurs:

41 (a) Failure within the same fiscal year in which due to
42 pay short-term loans or failure to make bond debt service or

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43 other long-term debt payments when due, as a result of a lack of
44 funds.

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

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

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

51 2. Employer and employee contributions for:

52 a. Federal social security; or

53 b. Any pension, retirement, or benefit plan of an
54 employee.

55 (d) Failure for one pay period to pay, due to lack of
56 funds:

57 1. Wages and salaries owed to employees; or

58 2. Retirement benefits owed to former employees.

59 (e) An unreserved or total fund balance or retained
60 earnings deficit, or unrestricted or total net assets deficit,
61 as reported on the balance sheet or statement of net assets on
62 the general purpose or fund financial statements, for which
63 sufficient resources of the local governmental entity, as
64 reported on the balance sheet or statement of net assets on the
65 general purpose or fund financial statements, are not available
66 to cover the deficit. Resources available to cover reported
67 deficits include net assets that are not otherwise restricted by
68 federal, state, or local laws, bond covenants, contractual
69 agreements, or other legal constraints. Fixed or capital assets,
70 the disposal of which would impair the ability of a local

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71 governmental entity to carry out its functions, are not
72 considered resources available to cover reported deficits.

73 (2) A local governmental entity shall notify the Governor
74 and the Legislative Auditing Committee, a charter school shall
75 notify the charter school sponsor and the Legislative Auditing
76 Committee, a charter technical career center shall notify the
77 charter technical career center sponsor and the Legislative
78 Auditing Committee, and a district school board shall notify the
79 Commissioner of Education and the Legislative Auditing
80 Committee, when one or more of the conditions specified in
81 subsection (1) have occurred or will occur if action is not
82 taken to assist the local governmental entity, charter school,
83 charter technical career center, or district school board. In
84 addition, any state agency must, within 30 days after a
85 determination that one or more of the conditions specified in
86 subsection (1) have occurred or will occur if action is not
87 taken to assist the local governmental entity, charter school,
88 charter technical career center, or district school board,
89 notify the Governor, charter school sponsor, charter technical
90 career center sponsor, or the Commissioner of Education, as
91 appropriate, and the Legislative Auditing Committee.

92 (4) (a) Upon notification that one or more of the
93 conditions in subsection (1) exist, the charter school sponsor
94 or the sponsor's designee and the Commissioner of Education
95 shall contact the charter school governing body to determine
96 what actions have been taken by the charter school governing
97 body to resolve the condition. If one or more of the conditions
98 in paragraphs (1) (a)-(d) exist, the Commissioner of Education

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99 ~~may charter school sponsor has the authority to require and~~
100 approve a financial recovery plan, to be prepared by the charter
101 school governing body, prescribing actions that will cause the
102 charter school to no longer be subject to this section. ~~The~~
103 ~~Department of Education shall establish guidelines for~~
104 ~~developing such plans.~~

105 (b) Upon notification that one or more of the conditions
106 in subsection (1) exist, the charter technical career center
107 sponsor or the sponsor's designee and the Commissioner of
108 Education shall contact the charter technical career center
109 governing body to determine what actions have been taken by the
110 charter technical career center governing body to resolve the
111 condition. If one or more of the conditions in paragraphs
112 (1) (a) - (d) exist, the Commissioner of Education may require and
113 approve a financial recovery plan, to be prepared by the charter
114 technical career center governing body, prescribing actions that
115 will cause the charter technical career center to no longer be
116 subject to this section.

117 (c) The Commissioner of Education shall determine if the
118 charter school or charter technical career center needs a
119 financial recovery plan to resolve a condition in paragraphs
120 (1) (a) - (d). If the Commissioner of Education determines that a
121 financial recovery plan is needed, the charter school or charter
122 technical career center is considered to be in a state of
123 financial emergency.

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125 The Department of Education, with the involvement of sponsors,
126 charter schools, and charter technical career centers, shall
127 establish guidelines for developing such plans.

128 Section 5. Section 218.504, Florida Statutes, is amended
129 to read:

130 218.504 Cessation of state action.--The Governor or the
131 Commissioner of Education, as appropriate, has the authority to
132 terminate all state actions pursuant to ss. 218.50-218.504.

133 Cessation of state action must not occur until the Governor or
134 the Commissioner of Education, as appropriate, has determined
135 that:

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

138 (a) Has established and is operating an effective
139 financial accounting and reporting system.

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

141 (2) None of the conditions outlined in s. 218.503(1)
142 exists.

143 Section 6. Paragraph (b) of subsection (5), paragraphs
144 (a), (b), and (d) of subsection (6), paragraphs (a) and (b) of
145 subsection (7), paragraph (d) of subsection (8), paragraphs (g)
146 through (q) of subsection (9), paragraphs (a) and (h) of
147 subsection (10), paragraphs (b) and (c) of subsection (17),
148 paragraph (e) of subsection (18), paragraph (a) of subsection
149 (20), and subsections (21) and (23) of section 1002.33, Florida
150 Statutes, are amended, present subsection (24) is renumbered as
151 subsection (26), and new subsections (24) and (25) are added to
152 that section, to read:

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153 1002.33 Charter schools.--

154 (5) SPONSOR; DUTIES.--

155 (b) Sponsor duties.--

156 1.a. The sponsor shall monitor and review the charter
157 school in its progress toward the goals established in the
158 charter.

159 b. The sponsor shall monitor the revenues and expenditures
160 of the charter school and perform the duties provided for in s.
161 1002.345.

162 c. The sponsor may approve a charter for a charter school
163 before the applicant has secured space, equipment, or personnel,
164 if the applicant indicates approval is necessary for it to raise
165 working funds.

166 d. The sponsor's policies shall not apply to a charter
167 school unless mutually agreed to by both the sponsor and the
168 charter school.

169 e. The sponsor shall ensure that the charter is innovative
170 and consistent with the state education goals established by s.
171 1000.03(5).

172 f. The sponsor shall ensure that the charter school
173 participates in the state's education accountability system. If
174 a charter school falls short of performance measures included in
175 the approved charter, the sponsor shall report such shortcomings
176 to the Department of Education.

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

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

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

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

189 2. Immunity for the sponsor of a charter school under
190 subparagraph 1. applies only with respect to acts or omissions
191 not under the sponsor's direct authority as described in this
192 section.

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

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

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

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

212 1. Demonstrates how the school will use the guiding
213 principles and meet the statutorily defined purpose of a charter
214 school.

215 2. Provides a detailed curriculum plan that illustrates
216 how students will be provided services to attain the Sunshine
217 State Standards.

218 3. Contains goals and objectives for improving student
219 learning and measuring that improvement. These goals and
220 objectives must indicate how much academic improvement students
221 are expected to show each year, how success will be evaluated,
222 and the specific results to be attained through instruction.

223 4. Describes the reading curriculum and differentiated
224 strategies that will be used for students reading at grade level
225 or higher and a separate curriculum and strategies for students
226 who are reading below grade level. A sponsor shall deny a
227 charter if the school does not propose a reading curriculum that
228 is consistent with effective teaching strategies that are
229 grounded in scientifically based reading research.

230 5. Contains an annual financial plan for each year
231 requested by the charter for operation of the school for up to 5
232 years. This plan must contain anticipated fund balances based on
233 revenue projections, a spending plan based on projected revenues
234 and expenses, and a description of controls that will safeguard
235 finances and projected enrollment trends.

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236 (b) A sponsor shall receive and review all applications
237 for a charter school using an evaluation instrument developed by
238 the Department of Education. Beginning with the 2007-2008 school
239 year, a sponsor shall receive and consider charter school
240 applications received on or before August 1 of each calendar
241 year for charter schools to be opened at the beginning of the
242 school district's next school year, or to be opened at a time
243 agreed to by the applicant and the sponsor. A sponsor may
244 receive applications later than this date if it chooses. A
245 sponsor may not charge an applicant for a charter any fee for
246 the processing or consideration of an application, and a sponsor
247 may not base its consideration or approval of an application
248 upon the promise of future payment of any kind.

249 1. In order to facilitate an accurate budget projection
250 process, a sponsor shall be held harmless for FTE students who
251 are not included in the FTE projection due to approval of
252 charter school applications after the FTE projection deadline.
253 In a further effort to facilitate an accurate budget projection,
254 within 15 calendar days after receipt of a charter school
255 application, a sponsor shall report to the Department of
256 Education the name of the applicant entity, the proposed charter
257 school location, and its projected FTE.

258 2. In order to ensure fiscal responsibility, an
259 application for a charter school shall include a full accounting
260 of expected assets, a projection of expected sources and amounts
261 of income, including income derived from projected student
262 enrollments and from community support, and an expense

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263 projection that includes full accounting of the costs of
264 operation, including start-up costs.

265 3. A sponsor shall by a majority vote approve or deny an
266 application no later than 60 calendar days after the application
267 is received, unless the sponsor and the applicant mutually agree
268 in writing to temporarily postpone the vote to a specific date,
269 at which time the sponsor shall by a majority vote approve or
270 deny the application. If the sponsor fails to act on the
271 application, an applicant may appeal to the State Board of
272 Education as provided in paragraph (c). If an application is
273 denied, the sponsor shall, within 10 calendar days, articulate
274 in writing the specific reasons, based upon good cause,
275 supporting its denial of the charter application and shall
276 provide the letter of denial and supporting documentation to the
277 applicant and to the Department of Education supporting those
278 reasons.

279 4. For budget projection purposes, the sponsor shall
280 report to the Department of Education the approval or denial of
281 a charter application within 10 calendar days after such
282 approval or denial. In the event of approval, the report to the
283 Department of Education shall include the final projected FTE
284 for the approved charter school.

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

289 (d) For charter school applications in school districts
290 that have not been granted exclusive authority to sponsor

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291 charter schools pursuant to s. 1002.335(5), the right to appeal
292 an application denial under paragraph (c) shall be contingent on
293 the applicant having submitted the same or a substantially
294 similar application to the district school board and the Florida
295 Schools of Excellence Commission or one of its cosponsors. Any
296 such applicant whose application is denied by the commission or
297 one of its cosponsors and ~~subsequent to its denial~~ by the
298 district school board may exercise its right to appeal the
299 district school board's denial under paragraph (c) within 30
300 days after receipt of the commission's or cosponsor's denial or
301 failure to act on the application. However, the applicant
302 forfeits its right to appeal under paragraph (c) if it fails to
303 submit its application to the commission or one of its
304 cosponsors by August 1 of the school year immediately following
305 the district school board's denial of the application.

306 (7) CHARTER.--The major issues involving the operation of
307 a charter school shall be considered in advance and written into
308 the charter. The charter shall be signed by the governing body
309 of the charter school and the sponsor, following a public
310 hearing to ensure community input.

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

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

315 2. The focus of the curriculum, the instructional methods
316 to be used, any distinctive instructional techniques to be
317 employed, and identification and acquisition of appropriate
318 technologies needed to improve educational and administrative

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319 performance which include a means for promoting safe, ethical,
320 and appropriate uses of technology which comply with legal and
321 professional standards. The charter shall ensure that reading is
322 a primary focus of the curriculum and that resources are
323 provided to identify and provide specialized instruction for
324 students who are reading below grade level. The curriculum and
325 instructional strategies for reading must be consistent with the
326 Sunshine State Standards and grounded in scientifically based
327 reading research.

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

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

335 b. How these baseline rates will be compared to rates of
336 academic progress achieved by these same students while
337 attending the charter school.

338 c. To the extent possible, how these rates of progress
339 will be evaluated and compared with rates of progress of other
340 closely comparable student populations.

341
342 The district school board is required to provide academic
343 student performance data to charter schools for each of their
344 students coming from the district school system, as well as
345 rates of academic progress of comparable student populations in
346 the district school system.

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347 4. The methods used to identify the educational strengths
348 and needs of students and how well educational goals and
349 performance standards are met by students attending the charter
350 school. Included in the methods is a means for the charter
351 school to ensure accountability to its constituents by analyzing
352 student performance data and by evaluating the effectiveness and
353 efficiency of its major educational programs. Students in
354 charter schools shall, at a minimum, participate in the
355 statewide assessment program created under s. 1008.22.

356 5. In secondary charter schools, a method for determining
357 that a student has satisfied the requirements for graduation in
358 s. 1003.43.

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

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

363 8. The ways by which the school will achieve a
364 racial/ethnic balance reflective of the community it serves or
365 within the racial/ethnic range of other public schools in the
366 same school district.

367 9. The financial and administrative management of the
368 school, including a reasonable demonstration of the professional
369 experience or competence of those individuals or organizations
370 applying to operate the charter school or those hired or
371 retained to perform such professional services and the
372 description of clearly delineated responsibilities and the
373 policies and practices needed to effectively manage the charter
374 school. A description of internal audit procedures and

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375 establishment of controls to ensure that financial resources are
376 properly managed must be included. Both public sector and
377 private sector professional experience shall be equally valid in
378 such a consideration.

379 10. The asset and liability projections required in the
380 application which are incorporated into the charter and which
381 shall be compared with information provided in the annual report
382 of the charter school. ~~The charter shall ensure that, if a~~
383 ~~charter school internal audit or annual financial audit reveals~~
384 ~~a state of financial emergency as defined in s. 218.503 or~~
385 ~~deficit financial position, the auditors are required to notify~~
386 ~~the charter school governing board, the sponsor, and the~~
387 ~~Department of Education. The internal auditor shall report such~~
388 ~~findings in the form of an exit interview to the principal or~~
389 ~~the principal administrator of the charter school and the chair~~
390 ~~of the governing board within 7 working days after finding the~~
391 ~~state of financial emergency or deficit position. A final report~~
392 ~~shall be provided to the entire governing board, the sponsor,~~
393 ~~and the Department of Education within 14 working days after the~~
394 ~~exit interview. When a charter school is in a state of financial~~
395 ~~emergency, the charter school shall file a detailed financial~~
396 ~~recovery plan with the sponsor. The department, with the~~
397 ~~involvement of both sponsors and charter schools, shall~~
398 ~~establish guidelines for developing such plans.~~

399 11. A description of procedures that identify various
400 risks and provide for a comprehensive approach to reduce the
401 impact of losses; plans to ensure the safety and security of
402 students and staff; plans to identify, minimize, and protect

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403 others from violent or disruptive student behavior; and the
404 manner in which the school will be insured, including whether or
405 not the school will be required to have liability insurance,
406 and, if so, the terms and conditions thereof and the amounts of
407 coverage.

408 12. The term of the charter which shall provide for
409 cancellation of the charter if insufficient progress has been
410 made in attaining the student achievement objectives of the
411 charter and if it is not likely that such objectives can be
412 achieved before expiration of the charter. The initial term of a
413 charter shall be for 4 or 5 years. In order to facilitate access
414 to long-term financial resources for charter school
415 construction, charter schools that are operated by a
416 municipality or other public entity as provided by law are
417 eligible for up to a 15-year charter, subject to approval by the
418 district school board. A charter lab school is eligible for a
419 charter for a term of up to 15 years. In addition, to facilitate
420 access to long-term financial resources for charter school
421 construction, charter schools that are operated by a private,
422 not-for-profit, s. 501(c)(3) status corporation are eligible for
423 up to a 15-year charter, subject to approval by the district
424 school board. Such long-term charters remain subject to annual
425 review and may be terminated during the term of the charter, but
426 only according to the provisions set forth in subsection (8).

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

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

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

434 16. A timetable for implementing the charter which
435 addresses the implementation of each element thereof and the
436 date by which the charter shall be awarded in order to meet this
437 timetable.

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

449 18. Full disclosure of the identity of all relatives
450 employed by the charter school who are related to the charter
451 school owner, president, chair of the governing board of
452 directors, superintendent, governing board member, principal,
453 assistant principal, or any other person employed by the charter
454 school having equivalent decisionmaking authority. For the
455 purpose of this subparagraph, the term "relative" means father,
456 mother, son, daughter, brother, sister, husband, wife, father-
457 in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-
458 law, sister-in-law, stepfather, stepmother, stepson,

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459 stepdaughter, stepbrother, stepsister, half brother, or half
460 sister.

461 (b)1. A charter may be renewed if provided that a program
462 review demonstrates that the criteria in paragraph (a) have been
463 successfully accomplished and that none of the grounds for
464 nonrenewal established by paragraph (8) (a) has been documented.
465 In order to facilitate long-term financing for charter school
466 construction, a charter school that has operated schools
467 operating for a minimum of 3 years, that has received a school
468 grade of at least a "C" pursuant to s. 1008.34 during the
469 previous 3 years, and that demonstrates demonstrating exemplary
470 academic programming and fiscal management must be offered are
471 eligible for a 15-year charter renewal. Such long-term charter
472 is subject to annual review and may be terminated during the
473 term of the charter pursuant to subsection (8).

474 ~~2. The 15 year charter renewal that may be granted~~
475 ~~pursuant to subparagraph 1. shall be granted to a charter school~~
476 ~~that has received a school grade of "A" or "B" pursuant to s.~~
477 ~~1008.34 in 3 of the past 4 years and is not in a state of~~
478 ~~financial emergency or deficit position as defined by this~~
479 ~~section. Such long term charter is subject to annual review and~~
480 ~~may be terminated during the term of the charter pursuant to~~
481 ~~subsection (8).~~

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

483 (d) A charter may be terminated immediately if the sponsor
484 determines that good cause has been shown or if the health,
485 safety, or welfare of the students is threatened. The sponsor's
486 determination is not subject to an informal hearing under

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487 paragraph (b) or pursuant to chapter 120. The sponsor shall
488 notify in writing the charter school's governing body, the
489 charter school principal, and the department if a charter is
490 immediately terminated. The sponsor shall clearly identify the
491 specific issues that resulted in the immediate termination and
492 provide evidence of prior notification of issues resulting in
493 the immediate termination when appropriate. The school district
494 in which the charter school is located shall assume operation of
495 the school under these circumstances. The charter school's
496 governing board may, within 30 days after receiving the
497 sponsor's decision to terminate the charter, appeal the decision
498 pursuant to the procedure established in subsection (6).

499 (9) CHARTER SCHOOL REQUIREMENTS.--

500 ~~(g) A charter school shall provide for an annual financial~~
501 ~~audit in accordance with s. 218.39. Financial audits that reveal~~
502 ~~a state of financial emergency as defined in s. 218.503 and are~~
503 ~~conducted by a certified public accountant or auditor in~~
504 ~~accordance with s. 218.39 shall be provided to the governing~~
505 ~~body of the charter school within 7 working days after finding~~
506 ~~that a state of financial emergency exists. When a charter~~
507 ~~school is found to be in a state of financial emergency by a~~
508 ~~certified public accountant or auditor, the charter school must~~
509 ~~file a detailed financial recovery plan with the sponsor within~~
510 ~~30 days after receipt of the audit.~~

511 (g)(h) In order to provide financial information that is
512 comparable to that reported for other public schools, charter
513 schools are to maintain all financial records which constitute
514 their accounting system:

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515 1. In accordance with the accounts and codes prescribed in
516 the most recent issuance of the publication titled "Financial
517 and Program Cost Accounting and Reporting for Florida Schools";
518 or

519 2. At the discretion of the charter school governing
520 board, a charter school may elect to follow generally accepted
521 accounting standards for not-for-profit organizations, but must
522 reformat this information for reporting according to this
523 paragraph.

524
525 Charter schools shall provide annual financial report and
526 program cost report information in the state-required formats
527 for inclusion in district reporting in compliance with s.
528 1011.60(1). Charter schools that are operated by a municipality
529 or are a component unit of a parent nonprofit organization may
530 use the accounting system of the municipality or the parent but
531 must reformat this information for reporting according to this
532 paragraph. A charter school shall provide quarterly financial
533 statements to the sponsor, except that such statements shall be
534 provided monthly if a charter school is subject to corrective
535 action plan under s. 1002.345 or a financial recovery plan under
536 s. 218.503.

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

539 ~~(i)-(j)~~ The governing body of the charter school shall
540 exercise continuing oversight over charter school operations.

541 ~~(j)-(k)~~ The governing body of the charter school shall be
542 responsible for:

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

547 2. Reviewing and approving the audit report, including
548 audit findings and recommendations for the financial recovery
549 plan.

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

552 b. Monitoring a financial recovery plan in order to ensure
553 compliance.

554 4. Participating in governance training approved by the
555 department that must include government in the sunshine,
556 conflicts of interest, ethics, and financial responsibility.

557 (k) ~~(l)~~ The governing body of the charter school shall
558 report its progress annually to its sponsor, which shall forward
559 the report to the Commissioner of Education at the same time as
560 other annual school accountability reports. The Department of
561 Education shall develop a uniform, online annual accountability
562 report format to be completed by charter schools. This report
563 shall be easy to utilize and contain demographic information,
564 student performance data, and financial accountability
565 information. A charter school may directly access, complete, and
566 correct school data and information in the online accountability
567 report. The sponsor shall review the report before final
568 submission to shall not be required to provide information and
569 data that is duplicative and already in the possession of the
570 department. The Department of Education shall include in its

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571 compilation a notation if a school failed to file its report by
572 the deadline established by the department. The report shall
573 include at least the following components:

574 1. Student achievement performance data, including the
575 information required for the annual school report and the
576 education accountability system governed by ss. 1008.31 and
577 1008.345. Charter schools are subject to the same accountability
578 requirements as other public schools, including reports of
579 student achievement information that links baseline student data
580 to the school's performance projections identified in the
581 charter. The charter school shall identify reasons for any
582 difference between projected and actual student performance.

583 2. Financial status of the charter school which must
584 include revenues and expenditures at a level of detail that
585 allows for analysis of the school's ability to meet financial
586 obligations and timely repayment of debt.

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

590 4. Descriptive information about the charter school's
591 personnel, including salary and benefit levels of charter school
592 employees, the proportion of instructional personnel who hold
593 professional or temporary certificates, and the proportion of
594 instructional personnel teaching in-field or out-of-field.

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

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

600 (n)~~(o)~~ The director and a representative of the governing
601 body of a charter school that has received a school grade of "D"
602 under s. 1008.34(2) shall appear before the sponsor or the
603 sponsor's staff at least once a year to present information
604 concerning each contract component having noted deficiencies.
605 The sponsor shall communicate at the meeting, and in writing to
606 the director, the services provided to the school to help the
607 school address its deficiencies.

608 (o)~~(p)~~ Upon notification that a charter school receives a
609 school grade of "D" for 2 consecutive years or a school grade of
610 "F" under s. 1008.34(2), the charter school sponsor or the
611 sponsor's staff shall require the director and a representative
612 of the governing body to submit to the sponsor for approval a
613 school improvement plan to raise student achievement and to
614 implement the plan. The sponsor has the authority to approve a
615 school improvement plan that the charter school will implement
616 in the following school year. The sponsor may also consider the
617 State Board of Education's recommended action pursuant to s.
618 1008.33(1) as part of the school improvement plan. The
619 Department of Education shall offer technical assistance and
620 training to the charter school and its governing body and
621 establish guidelines for developing, submitting, and approving
622 such plans.

623 1. If the charter school fails to improve its student
624 performance from the year immediately prior to the

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625 implementation of the school improvement plan, the sponsor shall
626 place the charter school on probation and shall require the
627 charter school governing body to take one of the following
628 corrective actions:

629 a. Contract for the educational services of the charter
630 school;

631 b. Reorganize the school at the end of the school year
632 under a new director or principal who is authorized to hire new
633 staff and implement a plan that addresses the causes of
634 inadequate progress; or

635 c. Reconstitute the charter school.

636 2. A charter school that is placed on probation shall
637 continue the corrective actions required under subparagraph 1.
638 until the charter school improves its student performance from
639 the year prior to the implementation of the school improvement
640 plan.

641 3. Notwithstanding any provision of this paragraph, the
642 sponsor may terminate the charter at any time pursuant to the
643 provisions of subsection (8).

644 (p) ~~(q)~~ The director and a representative of the governing
645 body of a graded charter school that has submitted a school
646 improvement plan or has been placed on probation under paragraph
647 (o) ~~(p)~~ shall appear before the sponsor or the sponsor's staff
648 at least once a year to present information regarding the
649 corrective strategies that are being implemented by the school
650 pursuant to the school improvement plan. The sponsor shall
651 communicate at the meeting, and in writing to the director, the

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652 services provided to the school to help the school address its
653 deficiencies.

654 (10) ELIGIBLE STUDENTS.--

655 (a) A charter school shall be open to any student ~~covered~~
656 ~~in an interdistrict agreement or~~ residing in the school district
657 in which the charter school is located; however, in the case of
658 a charter lab school, the charter lab school shall be open to
659 any student eligible to attend the lab school as provided in s.
660 1002.32 or who resides in the school district in which the
661 charter lab school is located. Any ~~eligible~~ student shall be
662 allowed interdistrict transfer to attend a charter school when
663 based on good cause. Good cause shall include, but not be
664 limited to, geographic proximity to a charter school in a
665 neighboring school district.

666 (h) The capacity of the charter school shall be determined
667 annually by the governing board, in conjunction with the
668 sponsor, of the charter school in consideration of the factors
669 identified in this subsection. The calculation under s. 1003.03
670 for class size compliance for charter schools shall be the
671 average for the applicable grade grouping at the school level
672 established at the October student membership survey of the
673 district in which the charter school is operated.

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

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679 (b) The basis for the agreement for funding students
680 enrolled in a charter school shall be the sum of the school
681 district's operating funds from the Florida Education Finance
682 Program as provided in s. 1011.62 and the General Appropriations
683 Act, including gross state and local funds, discretionary
684 lottery funds, and funds from the school district's current
685 operating discretionary millage levy; divided by total funded
686 weighted full-time equivalent students in the school district;
687 multiplied by the weighted full-time equivalent students for the
688 charter school. Charter schools whose students or programs meet
689 the eligibility criteria in law shall be entitled to their
690 proportionate share of categorical program funds included in the
691 total funds available in the Florida Education Finance Program
692 by the Legislature, including transportation. Total funding for
693 each charter school shall be recalculated during the year to
694 reflect the revised calculations under the Florida Education
695 Finance Program by the state and the actual weighted full-time
696 equivalent students reported by the charter school during the
697 full-time equivalent student survey periods designated by the
698 Commissioner of Education. Florida Education Finance Program
699 funds for a charter school must be distributed to the charter
700 school by the district school board within 10 days after receipt
701 from the state.

702 (c) If the sponsor ~~district school board~~ is providing
703 programs or services to students funded by federal funds, any
704 eligible students enrolled in charter schools in the school
705 district shall be provided federal funds for the same level of
706 service provided students in the schools operated by the

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707 district school board. Pursuant to provisions of 20 U.S.C. 8061
708 s. 10306, all charter schools shall receive all federal funding
709 for which the school is otherwise eligible, including Title I
710 funding and funding under the Individuals with Disabilities
711 Education Act, not later than 5 months after the charter school
712 first opens and within 5 months after any subsequent expansion
713 of enrollment.

714 (18) FACILITIES.--

715 (e)1. If a district school board facility or property is
716 available because it is surplused ~~surplus~~, marked for disposal,
717 or otherwise unused:7

718 a. It shall be provided for a charter school's use on the
719 same basis as it is made available to other public schools in
720 the district. A charter school receiving property from the
721 school district under this subparagraph may not sell or dispose
722 of such property without written permission of the school
723 district.

724 b. It shall first be offered for purchase or lease to
725 charter schools within the district to be used for educational
726 purposes for a period of 45 days following a district school
727 board's decision to sell or lease such property.

728 2. ~~Similarly,~~ For an existing public school converting to
729 charter status, no rental or leasing fee for the existing
730 facility or for the property normally inventoried to the
731 conversion school may be charged by the district school board to
732 the parents and teachers organizing the charter school. The
733 charter school shall agree to reasonable maintenance provisions
734 in order to maintain the facility in a manner similar to

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735 district school board standards. The Public Education Capital
736 Outlay maintenance funds or any other maintenance funds
737 generated by the facility operated as a conversion school shall
738 remain with the conversion school.

739 (20) SERVICES.--

740 (a) A sponsor shall provide certain administrative and
741 educational services to charter schools. These services shall
742 include contract management services; full-time equivalent and
743 data reporting services; exceptional student education
744 administration services; services related to eligibility and
745 reporting duties required to ensure that school lunch services
746 under the federal lunch program, consistent with the needs of
747 the charter school, are provided by the school district at the
748 request of the charter school, that any funds due the charter
749 school under the federal lunch program be paid to the charter
750 school as soon as the charter school begins serving food under
751 the federal lunch program, and that the charter school is paid
752 at the same time and in the same manner under the federal lunch
753 program as other public schools serviced by the sponsor or
754 school district; test administration services, including payment
755 of the costs of state-required or district-required student
756 assessments; processing of teacher certificate data services;
757 and information services, including equal access to student
758 information systems that are used by public schools in the
759 district in which the charter school is located. Student
760 performance data for each student in a charter school,
761 including, but not limited to, FCAT scores, standardized test
762 scores, previous public school student report cards, and student

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763 performance measures, shall be provided by the sponsor to a
764 charter school in the same manner provided to other public
765 schools in the district. A total administrative fee for the
766 provision of such services shall be calculated based upon up to
767 5 percent of the available funds defined in paragraph (17)(b)
768 for all students. However, a sponsor may only withhold up to a
769 5-percent administrative fee for enrollment for up to and
770 including 500 students. For charter schools with a population of
771 501 or more students, the difference between the total
772 administrative fee calculation and the amount of the
773 administrative fee withheld may only be used for capital outlay
774 purposes specified in s. 1013.62(2). Sponsors shall not charge
775 charter schools any additional fees or surcharges for
776 administrative and educational services in addition to the
777 maximum 5-percent administrative fee withheld pursuant to this
778 paragraph.

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

780 (a) The Department of Education shall provide information
781 to the public, directly and through sponsors, both on how to
782 form and operate a charter school and on how to enroll in
783 charter schools once they are created. This information shall
784 include a standard application format, charter format,
785 evaluation instrument, and charter renewal format which shall
786 include the information specified in subsection (7) and shall be
787 developed by consulting and negotiating with ~~both~~ school
788 districts, the Florida Schools of Excellence Commission, and
789 charter schools before implementation. These formats shall be
790 used ~~as guidelines~~ by charter school sponsors.

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791 (b)1. The Department of Education shall report student
792 assessment data pursuant to s. 1008.34(3)(b) which is reported
793 to schools that receive a school grade pursuant to s. 1008.34 or
794 student assessment data pursuant to s. 1008.341(3) which is
795 reported to alternative schools that receive a school
796 improvement rating pursuant to s. 1008.341 to each charter
797 school that:

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

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

802 2. The charter school shall report the information in
803 subparagraph 1. to each parent of a student at the charter
804 school, the district in which the charter school is located, and
805 the governing board of the charter school. This paragraph does
806 not abrogate the provisions of s. 1002.22, relating to student
807 records, and the requirements of 20 U.S.C. s. 1232g, the Family
808 Educational Rights and Privacy Act.

809 3.a. Pursuant to this paragraph, the Department of
810 Education shall compare the charter school student performance
811 data for each charter school in subparagraph 1. with the student
812 performance data in traditional public schools in the district
813 in which the charter school is located and other charter schools
814 in the state. For charter alternative schools, the department
815 shall compare the student performance data described in this
816 paragraph with all alternative schools in the state. The
817 comparative data shall be provided by the following grade
818 groupings:

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819 (I) Grades 3 through 5.

820 (II) Grades 6 through 8.

821 (III) Grades 9 through 11.

822 b. Each charter school shall make the information in this
823 paragraph available to the public.

824 (23) ANALYSIS OF CHARTER SCHOOL PERFORMANCE.--Upon receipt
825 of the annual report required by paragraph (9)(k) ~~(9)(1)~~, the
826 Department of Education shall provide to the State Board of
827 Education, the Commissioner of Education, the Governor, the
828 President of the Senate, and the Speaker of the House of
829 Representatives an analysis and comparison of the overall
830 performance of charter school students, to include all students
831 whose scores are counted as part of the statewide assessment
832 program, versus comparable public school students in the
833 district as determined by the statewide assessment program
834 currently administered in the school district, and other
835 assessments administered pursuant to s. 1008.22(3).

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

837 (a) This subsection applies to charter school personnel in
838 a charter school operated by a private entity. Charter school
839 personnel in schools operated by a municipality or other public
840 entity are subject to s. 112.3135.

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

842 1. "Charter school personnel" means a charter school
843 owner, president, chair of the governing board of directors,
844 superintendent, governing board member, principal, assistant
845 principal, or any other person employed by the charter school
846 having equivalent decisionmaking authority and in whom is vested

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847 the authority, or to whom the authority has been delegated, to
848 appoint, employ, promote, or advance individuals or to recommend
849 individuals for appointment, employment, promotion, or
850 advancement in connection with employment in a charter school,
851 including the authority as a member of a governing board of a
852 charter school to vote on the appointment, employment,
853 promotion, or advancement of individuals.

854 2. "Relative" means father, mother, son, daughter,
855 brother, sister, husband, wife, father-in-law, mother-in-law,
856 son-in-law, daughter-in-law, brother-in-law, sister-in-law,
857 stepfather, stepmother, stepson, stepdaughter, stepbrother,
858 stepsister, half brother, or half sister.

859 3. "Supervise" means the appointment, employment,
860 promotion, or advancement of an individual or recommendation of
861 the appointment, employment, promotion, or advancement of an
862 individual.

863 (c) Charter school personnel may not supervise a relative
864 in the charter school in which the personnel serve unless the
865 governing board requests and obtains a waiver of this
866 requirement from the Commissioner of Education or his or her
867 designee.

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

869 (a) A member of a governing board of a charter school,
870 including a charter school operated by a private entity, is
871 subject to the provisions of ss. 112.313(2), (3), (7), (12), and
872 (15) and 112.3143(3).

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

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875 the provisions of s. 112.3144, relating to the disclosure of
876 financial interests.

877 Section 7. Subsection (5), paragraph (a) of subsection
878 (7), and paragraph (a) of subsection (11) of section 1002.335,
879 Florida Statutes, are amended to read:

880 1002.335 Florida Schools of Excellence Commission.--

881 (5) CHARTERING AUTHORITY.--

882 (a) A charter school applicant may submit an application
883 to the commission only if the school district in which the FSE
884 charter school is to be located has not retained exclusive
885 authority to authorize charter schools as provided in paragraph
886 (e). If a district school board has not retained exclusive
887 authority to authorize charter schools as provided in paragraph
888 (e), the district school board and the commission shall have
889 concurrent authority to authorize charter schools and FSE
890 charter schools, respectively, to be located within the
891 geographic boundaries of the school district. The district
892 school board shall monitor and oversee all charter schools
893 authorized by the district school board pursuant to s. 1002.33.
894 The commission shall monitor and oversee all FSE charter schools
895 sponsored by the commission pursuant to subsection (4).

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

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902 (c) For fiscal year 2008-2009 and every 4 fiscal years
903 thereafter ~~2007-2008 and for each fiscal year thereafter~~, a
904 district school board may seek ~~to retain~~ exclusive authority to
905 authorize charter schools within the geographic boundaries of
906 the school district by presenting to the State Board of
907 Education, on or before March 1 of the fiscal year prior to that
908 for which the exclusive authority is to apply, a written
909 resolution adopted by the district school board indicating the
910 intent to seek ~~retain~~ exclusive authority to authorize charter
911 schools. ~~A district school board may seek to retain the~~
912 ~~exclusive authority to authorize charter schools by presenting~~
913 ~~to the state board the written resolution on or before a date 60~~
914 ~~days after establishment of the commission.~~ The written
915 resolution shall be accompanied by a written description
916 addressing the elements described in paragraph (e). The district
917 school board shall provide a complete copy of the resolution,
918 including the description, to each charter school authorized by
919 the district school board on or before the date it submits the
920 resolution to the state board.

921 (d) A party may challenge the grant of exclusive authority
922 made by the State Board of Education pursuant to paragraph (e)
923 by filing with the state board a notice of challenge within 30
924 days after the state board grants exclusive authority. The
925 notice shall be accompanied by a specific written description of
926 the basis for the challenge. The challenging party, at the time
927 of filing notice with the state board, shall provide a copy of
928 the notice of challenge to the district school board that has
929 been granted exclusive authority. The state board shall permit

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930 the district school board the opportunity to appear and respond
931 in writing to the challenge. The state board shall make a
932 determination upon the challenge within 60 days after receiving
933 the notice of challenge.

934 (e) The State Board of Education shall grant to a district
935 school board exclusive authority to authorize charter schools
936 within the geographic boundaries of the school district if the
937 state board determines, after adequate notice, in a public
938 hearing, and after receiving input from any charter school
939 authorized by the district school board, that the district
940 school board has provided fair and equitable treatment to its
941 charter schools during the 4 years prior to the district school
942 board's submission of the resolution described in paragraph (c).
943 The state board's review of the resolution shall, at a minimum,
944 include consideration of the following:

- 945 1. Compliance with the provisions of s. 1002.33.
- 946 2. Compliance with full and accurate accounting practices
947 and charges for central administrative overhead costs.
- 948 3. Compliance with requirements allowing a charter school,
949 at its discretion, to purchase certain services or a combination
950 of services at actual cost to the district.
- 951 4. The absence of a district school board moratorium
952 regarding charter schools or the absence of any districtwide
953 charter school enrollment limits.
- 954 5. Compliance with valid orders of the state board.
- 955 6. The provision of assistance to charter schools to meet
956 their facilities needs by including those needs in local bond
957 issues or otherwise providing available land and facilities that

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

960 7. The distribution to charter schools authorized by the
961 district school board of a pro rata share of federal and state
962 grants received by the district school board, except for any
963 grant received for a particular purpose which, by its express
964 terms, is intended to benefit a student population not able to
965 be served by, or a program not able to be offered at, a charter
966 school that did not receive a proportionate share of such grant
967 proceeds.

968 8. The provision of adequate staff and other resources to
969 serve charter schools authorized by the district school board,
970 which services are provided by the district school board at a
971 cost to the charter schools that does not exceed their actual
972 cost to the district school board.

973 9. The lack of a policy or practice of imposing individual
974 charter school enrollment limits, except as otherwise provided
975 by law.

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

981 (f) The decision of the State Board of Education to grant
982 or deny exclusive authority to a district school board pursuant
983 to paragraph (e) shall be effective for 4 fiscal years, shall
984 not be subject to the provisions of chapter 120, and shall be a

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985 final action subject to judicial review by the district court of
986 appeal.

987 (g) For district school boards that have no discernible
988 history of authorizing charter schools, the State Board of
989 Education may not grant exclusive authority unless the district
990 school board demonstrates that no approvable application has
991 come before the district school board.

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

997 (h)~~(i)~~ Notwithstanding any other provision of this section
998 to 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

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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.

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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 Section 8. Subsections (4) and (5), paragraphs (d) and (f)
1050 of subsection (6), subsection (8), paragraph (c) of subsection
1051 (10), and subsection (13) of section 1002.34, Florida Statutes,
1052 are amended to read:

1053 1002.34 Charter technical career centers.--

1054 (4) CHARTER.--A sponsor may designate centers as provided
1055 in this section. An application to establish a center may be
1056 submitted by a sponsor or another organization that is
1057 determined, by rule of the State Board of Education, to be
1058 appropriate. However, an independent school is not eligible for
1059 status as a center. The charter must be signed by the governing
1060 body of the center and the sponsor, and must be approved by the
1061 district school board and community college board of trustees in
1062 whose geographic region the facility is located. If a charter
1063 technical career center is established by the conversion to
1064 charter status of a public technical center formerly governed by
1065 a district school board, the charter status of that center takes
1066 precedence in any question of governance. The governance of the

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1067 center or of any program within the center remains with its
1068 board of directors unless the board agrees to a change in
1069 governance or its charter is revoked as provided in subsection
1070 (15). Such a conversion charter technical career center is not
1071 affected by a change in the governance of public technical
1072 centers or of programs within other centers that are or have
1073 been governed by district school boards. A charter technical
1074 career center, or any program within such a center, that was
1075 governed by a district school board and transferred to a
1076 community college prior to the effective date of this act is not
1077 affected by this provision. An applicant who wishes to establish
1078 a center must submit to the district school board or community
1079 college board of trustees, or a consortium of one or more of
1080 each, an application on a form developed by the Department of
1081 Education that includes:

1082 (a) The name of the proposed center.

1083 (b) The proposed structure of the center, including a list
1084 of proposed members of the board of directors or a description
1085 of the qualifications for and method of their appointment or
1086 election.

1087 (c) The workforce development goals of the center, the
1088 curriculum to be offered, and the outcomes and the methods of
1089 assessing the extent to which the outcomes are met.

1090 (d) The admissions policy and criteria for evaluating the
1091 admission of students.

1092 (e) A description of the staff responsibilities and the
1093 proposed qualifications of the teaching staff.

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1094 (f) A description of the procedures to be implemented to
1095 ensure significant involvement of representatives of business
1096 and industry in the operation of the center.

1097 (g) A method for determining whether a student has
1098 satisfied the requirements for graduation specified in s.
1099 1003.43 and for completion of a postsecondary certificate or
1100 degree.

1101 (h) A method for granting secondary and postsecondary
1102 diplomas, certificates, and degrees.

1103 (i) A description of and address for the physical facility
1104 in which the center will be located.

1105 (j) A method of resolving conflicts between the governing
1106 body of the center and the sponsor and between consortium
1107 members, if applicable.

1108 (k) A method for reporting student data as required by law
1109 and rule.

1110 (l) The identity of all relatives employed by the charter
1111 technical career center who are related to the center owner,
1112 president, chair of the governing board of directors,
1113 superintendent, governing board member, principal, assistant
1114 principal, or any other person employed by the center who has
1115 equivalent decisionmaking authority. As used in this paragraph,
1116 the term "relative" means father, mother, son, daughter,
1117 brother, sister, husband, wife, father-in-law, mother-in-law,
1118 son-in-law, daughter-in-law, brother-in-law, sister-in-law,
1119 stepfather, stepmother, stepson, stepdaughter, stepbrother,
1120 stepsister, half brother, or half sister.

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1121 (m)~~(l)~~ Other information required by the district school
1122 board or community college board of trustees.

1123
1124 Students at a center must meet the same testing and academic
1125 performance standards as those established by law and rule for
1126 students at public schools and public technical centers. The
1127 students must also meet any additional assessment indicators
1128 that are included within the charter approved by the district
1129 school board or community college board of trustees.

1130 (5) APPLICATION.--An application to establish a center
1131 must be submitted by February 1 of the year preceding the school
1132 year in which the center will begin operation. The sponsor must
1133 review the application using an evaluation instrument developed
1134 by the Department of Education and make a final decision on
1135 whether to approve the application and grant the charter by
1136 March 1, and may condition the granting of a charter on the
1137 center's taking certain actions or maintaining certain
1138 conditions. Such actions and conditions must be provided to the
1139 applicant in writing. The district school board or community
1140 college board of trustees is not required to issue a charter to
1141 any person.

1142 (6) SPONSOR.--A district school board or community college
1143 board of trustees or a consortium of one or more of each may
1144 sponsor a center in the county in which the board has
1145 jurisdiction.

1146 (d) The Department of Education shall offer or arrange for
1147 training and technical assistance to applicants in developing
1148 business plans and estimating costs and income. This assistance

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1149 shall address estimating startup costs, projecting enrollment,
1150 and identifying the types and amounts of state and federal
1151 financial assistance the center will be eligible to receive. The
1152 training shall include instruction in accurate financial
1153 planning and good business practices ~~may provide technical~~
1154 ~~assistance to an applicant upon written request.~~

1155 (f) The sponsor shall monitor and review the center's
1156 progress toward charter goals and shall monitor the center's
1157 revenues and expenditures. The sponsor shall perform the duties
1158 provided for in s. 1002.345.

1159 (8) ELIGIBLE STUDENTS.--

1160 (a) A center must be open to all students as space is
1161 available and may not discriminate in admissions policies or
1162 practices on the basis of an individual's physical disability or
1163 proficiency in English or on any other basis that would be
1164 unlawful if practiced by a public school or a community college.
1165 A center may establish reasonable criteria by which to evaluate
1166 prospective students, which criteria must be outlined in the
1167 charter.

1168 (b) The calculation under s. 1003.03 for class size
1169 compliance for a center shall be the average for the applicable
1170 grade grouping at the school level established at the October
1171 student membership survey of the district in which the center is
1172 operated.

1173 (10) EXEMPTION FROM STATUTES.--

1174 (c) A center must comply with the antidiscrimination
1175 provisions of s. 1000.05 and the provisions of s. 1002.33(24)
1176 relating to the employment of relatives.

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1177 (13) BOARD OF DIRECTORS AUTHORITY.--The board of directors
1178 of a center may decide matters relating to the operation of the
1179 school, including budgeting, curriculum, and operating
1180 procedures, subject to the center's charter. The board of
1181 directors is responsible for performing the duties provided for
1182 in s. 1002.345, including monitoring the corrective action plan.
1183 The board of directors must comply with the provisions of s.
1184 1002.33 (25).

1185 Section 9. Section 1002.345, Florida Statutes, is created
1186 to read:

1187 1002.345 Determination of financial weaknesses and
1188 financial emergencies for charter schools and charter technical
1189 career centers.--This section applies to charter schools
1190 operating pursuant to ss. 1002.33 and 1002.335, and to charter
1191 technical career centers operating pursuant to s. 1002.34.

1192 (1) FINANCIAL WEAKNESS; REQUIREMENTS.--

1193 (a) A charter school and a charter technical career center
1194 shall be subject to an expedited review by the sponsor when any
1195 one of the following conditions occurs:

1196 1. An end-of-year financial deficit.

1197 2. A substantial decline in student enrollment without a
1198 commensurate reduction in expenses.

1199 3. Insufficient revenues to pay current operating
1200 expenses.

1201 4. Insufficient revenues to pay long-term expenses.

1202 5. Disproportionate administrative expenses.

1203 6. Excessive debt.

1204 7. Excessive expenditures.

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- 1205 8. Inadequate fund balances or reserves.
- 1206 9. Failure to meet financial reporting requirements
1207 pursuant to s. 1002.33(9), s. 1002.335(7)(a)7., or s.
1208 1002.34(14).
- 1209 10. Weak financial controls or other adverse financial
1210 conditions identified through an annual audit conducted pursuant
1211 to s. 218.39.
- 1212 11. Negative financial findings cited in reports by the
1213 Auditor General or the Office of Program Policy Analysis and
1214 Government Accountability.
- 1215 (b) A sponsor shall notify the governing board within 7
1216 working days when one or more of the conditions specified in
1217 paragraph (a) occur.
- 1218 (c) The governing board and the sponsor shall develop a
1219 corrective action plan and file the plan with the Commissioner
1220 of Education within 30 working days. If the governing board and
1221 the sponsor are unable to agree on a corrective action plan, the
1222 Commissioner of Education shall determine the components of the
1223 plan. The governing board shall implement the plan.
- 1224 (d) The governing board shall include the corrective
1225 action plan and the status of its implementation in the annual
1226 progress report to the sponsor that is required under s.
1227 1002.33(9)(k), s. 1002.335(7)(a)7., or s. 1002.34(14).
- 1228 (e) If the governing board fails to implement the
1229 corrective action plan within 1 year, the State Board of
1230 Education shall prescribe any steps necessary for the charter
1231 school or the charter technical career center to comply with
1232 state requirements.

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1233 (f) The chair of the governing board shall annually appear
1234 before the State Board of Education and report on the
1235 implementation of the State Board of Education's requirements.

1236 (2) FINANCIAL EMERGENCY; DEFICIT FUND BALANCE; DEFICIT NET
1237 ASSETS; REQUIREMENTS.--

1238 (a) A charter school and a charter technical career center
1239 shall provide for a certified public accountant or auditor to
1240 conduct an annual financial audit in accordance with s. 218.39.

1241 (b) The charter shall ensure that, if an annual financial
1242 audit of a charter school or charter technical career center
1243 reveals one or more of the conditions in s. 218.503(1) have
1244 occurred or will occur if action is not taken or if a charter
1245 school or charter technical career center has a deficit fund
1246 balance or deficit net assets, the auditor must notify the
1247 governing board of the charter school or charter technical
1248 career center, as appropriate, the sponsor, and the Commissioner
1249 of Education.

1250 (c)1. When a financial audit conducted by a certified
1251 public accountant in accordance with s. 218.39 reveals that one
1252 or more of the conditions in s. 218.503(1) have occurred or will
1253 occur if action is not taken or when a deficit fund balance or
1254 deficit net assets exist, the auditor shall notify and provide
1255 the financial audit to the governing board of the charter school
1256 or charter technical career center, as appropriate, the sponsor,
1257 and the Commissioner of Education within 7 working days after
1258 the finding is made.

1259 2. When the charter school or charter technical career
1260 center is found to be in a state of financial emergency pursuant

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1261 to s. 218.503(4), the charter school or charter technical career
1262 center shall file a detailed financial recovery plan as provided
1263 for in s. 218.503 with the sponsor within 30 days after being
1264 notified by the Commissioner of Education that a financial
1265 recovery plan is needed.

1266 (d) The sponsor shall file a copy of the financial
1267 recovery plan with the Commissioner of Education.

1268 (e) The governing board shall include the financial
1269 recovery plan and the status of its implementation in the annual
1270 progress report to the sponsor which is required under s.
1271 1002.33(9)(k), s. 1002.335(7)(a)7., or s. 1002.34(14).

1272 (3) REPORT.--The Commissioner of Education shall annually
1273 report to the State Board of Education each charter school and
1274 charter technical career center that is subject to a financial
1275 recovery plan or a corrective action plan under this section.

1276 (4) RULES.--The State Board of Education shall adopt rules
1277 pursuant to ss. 120.536(1) and 120.54 for developing financial
1278 recovery and corrective action plans and establishing the
1279 criteria for defining each of the conditions in subsection (1).

1280 (5) TECHNICAL ASSISTANCE.--The Department of Education
1281 shall provide technical assistance to charter schools, charter
1282 technical career centers, governing boards, and sponsors in
1283 developing financial recovery and corrective action plans.

1284 (6) FAILURE TO CORRECT DEFICIENCIES.--The sponsor may
1285 choose not to renew or may terminate a charter if the charter
1286 school or charter technical career center fails to correct the
1287 deficiencies noted in the corrective action plan within 1 year
1288 or exhibits one or more financial emergency conditions as

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1289 provided in s. 218.503(1)(a)-(d) for 2 consecutive years. This
1290 subsection is not intended to affect a sponsor's authority to
1291 terminate or not renew a charter pursuant to s. 1002.33(8).

1292 Section 10. Paragraph (f) is added to subsection (2) of
1293 section 1013.62, Florida Statutes, to read:

1294 1013.62 Charter schools capital outlay funding.--

1295 (2) A charter school's governing body may use charter
1296 school capital outlay funds for the following purposes:

1297 (f) Any of the purposes set forth in s. 1011.71(2).

1298

1299 Conversion charter schools may use capital outlay funds received
1300 through the reduction in the administrative fee provided in s.
1301 1002.33(20) for renovation, repair, and maintenance of school
1302 facilities that are owned by the sponsor.

1303

1304 -----

1305 **T I T L E A M E N D M E N T**

1306 Remove lines 9-59 and insert:

1307 financial emergency; requiring that the sponsor and Legislative
1308 Auditing Committee be notified of certain conditions; providing
1309 that the Commissioner of Education may require a financial
1310 recovery plan if certain conditions exist for a charter school
1311 or charter technical career center; amending s. 1002.33, F.S.;
1312 providing for duties of charter school sponsors and governing
1313 boards when charter schools and charter technical career centers
1314 experience a financial weakness or a financial emergency;
1315 specifying forms and evaluation instruments to be used by
1316 charter school applicants and sponsors; revising provisions

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HOUSE AMENDMENT

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1317 relating to appeal of a charter school application denial;
1318 deleting the auditing requirements and financial emergency
1319 provisions for charter schools; requiring charter schools to
1320 disclose the identity of relatives of charter school personnel;
1321 revising provisions relating to charter school renewal terms;
1322 providing that immediate termination of a charter is exempt from
1323 requirements for an informal hearing or a hearing under ch. 120,
1324 F.S.; requiring charter schools to provide quarterly or monthly
1325 financial statements under specified circumstances; revising
1326 provisions relating to a charter school's annual report;
1327 revising provisions relating to student eligibility to attend a
1328 charter school; revising the calculation requirements for class
1329 size compliance by charter schools; providing requirements for
1330 distribution of funds to charter schools; providing priority to
1331 charter schools for the lease or purchase of surplus,
1332 disposed, or unused public school property and facilities;
1333 requiring a sponsor to provide additional services relating to
1334 school lunches under the federal lunch program; providing for
1335 the disclosure of the performance of charter schools that are
1336 not given a school grade or school improvement rating; providing
1337 reporting requirements; providing restrictions for the
1338 employment of relatives by charter school personnel; providing
1339 that members of a charter school governing board are subject to
1340 certain standards of conduct and financial disclosure; amending
1341 s. 1002.335, F.S., relating to the Florida Schools of Excellence
1342 Commission; revising provisions relating to exclusive authority
1343 to authorize charter schools; eliminating the requirement for
1344 district school boards to annually seek continued exclusivity

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1345 from the State Board of Education; providing that a grant or
1346 denial of exclusivity shall be effective for 4 fiscal years;
1347 specifying additional components of cosponsor agreements;
1348 providing for application of performance disclosure requirements
1349 for charter schools that are not graded or rated; providing for
1350 application of restrictions on the employment of relatives and
1351 certain standards of conduct and financial disclosure; amending
1352 s. 1002.34, F.S.; providing additional duties for charter
1353 technical career centers, applicants, sponsors, and governing
1354 boards; requiring the Department of Education to offer or
1355 arrange training and assistance to applicants for a charter
1356 technical career center; revising the calculation requirements
1357 for class size compliance by charter technical career centers;
1358 providing for application of restrictions on the employment of
1359 relatives and certain standards of conduct and financial
1360 disclosure; creating s. 1002.345, F.S.; establishing criteria
1361 and requirements for charter schools and charter technical
1362 career centers that have financial weaknesses or are in a state
1363 of financial emergency; establishing requirements for charter
1364 schools, charter technical career centers, governing boards, and
1365 sponsors; requiring financial audits of charter schools and
1366 charter technical career centers; providing for corrective
1367 action and financial recovery plans; providing for duties of
1368 auditors, the Commissioner of Education, and the Department of
1369 Education; requiring the State Board of Education to adopt
1370 rules; providing grounds for termination or nonrenewal of a
1371 charter; amending s. 1013.62, F.S.; authorizing additional uses
1372 for charter school capital outlay funds; providing an

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