

By the Committee on Education Pre-K - 12

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1 A bill to be entitled

2 An act relating to charter schools; amending ss. 11.45,
3 218.50, and 218.501, F.S., relating to audit reports by
4 the Auditor General; conforming provisions related to
5 changes in the entities subject to a state of financial
6 emergency; amending ss. 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 and
15 charter technical career centers experience a financial
16 weakness or a financial emergency; specifying forms to be
17 used by charter school applicants and sponsors; requiring
18 applicant training and documentation; deleting the
19 auditing requirements and financial emergency provisions
20 for charter schools; requiring charters schools to
21 disclose the identity of relatives of charter school
22 personnel; providing for a limitation on funding;
23 providing for the disclosure of the performance of charter
24 schools that are not given a school grade or school
25 improvement rating; providing reporting requirements;
26 providing restrictions for the employment of relatives by
27 charter school personnel; providing that members of a
28 charter school governing board are subject to certain
29 standards of conduct specified in ss. 112.313 and

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30 112.3143, F.S.; amending s. 1002.335, F.S.; eliminating
31 the requirement for district school boards to annually
32 seek continued exclusivity from the State Board of
33 Education; providing for challenges to the exclusivity of
34 district school boards; providing a rebuttable presumption
35 for district school boards that are granted exclusivity;
36 specifying additional components of cosponsor agreements;
37 amending s. 1002.34, F.S.; providing additional duties for
38 charter technical career centers, applicants, sponsors,
39 and governing boards; requiring the Department of
40 Education to offer or arrange training and assistance to
41 applicants for a charter technical career center;
42 requiring that an applicant participate in the training;
43 creating s. 1002.345, F.S.; establishing criteria and
44 requirements for charter schools and charter technical
45 career centers that have financial weaknesses or are in a
46 state of financial emergency; establishing requirements
47 for charter schools, charter technical career centers,
48 governing bodies, and sponsors; requiring financial audits
49 of charter schools and charter technical career centers;
50 providing for corrective action and financial recovery
51 plans; providing for duties of auditors, the Commissioner
52 of Education, and the Department of Education; requiring
53 the State Board of Education to adopt rules; providing
54 grounds for termination or nonrenewal of a charter;
55 providing an effective date.

56
57 Be It Enacted by the Legislature of the State of Florida:
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59 Section 1. Paragraph (e) of subsection (7) and subsection
60 (8) of section 11.45, Florida Statutes, are amended to read:

61 11.45 Definitions; duties; authorities; reports; rules.--

62 (7) AUDITOR GENERAL REPORTING REQUIREMENTS.--

63 (e) The Auditor General shall notify the Governor or the
64 Commissioner of Education, as appropriate, and the Legislative
65 Auditing Committee of any audit report reviewed by the Auditor
66 General pursuant to paragraph (b) which contains a statement that
67 a local governmental entity, charter school, charter technical
68 career center, or district school board has met one or more of
69 the conditions specified in s. 218.503. If the Auditor General
70 requests a clarification regarding information included in an
71 audit report to determine whether a local governmental entity,
72 charter school, charter technical career center, or district
73 school board has met one or more of the conditions specified in
74 s. 218.503, the requested clarification must be provided within
75 45 days after the date of the request. If the local governmental
76 entity, charter school, charter technical career center, or
77 district school board does not comply with the Auditor General's
78 request, the Auditor General shall notify the Legislative
79 Auditing Committee. If, after obtaining the requested
80 clarification, the Auditor General determines that the local
81 governmental entity, charter school, charter technical career
82 center, or district school board has met one or more of the
83 conditions specified in s. 218.503, he or she shall notify the
84 Governor or the Commissioner of Education, as appropriate, and
85 the Legislative Auditing Committee.

86 (8) RULES OF THE AUDITOR GENERAL.--The Auditor General, in
87 consultation with the Board of Accountancy, shall adopt rules for

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88 the form and conduct of all financial audits performed by
89 independent certified public accountants pursuant to ss. 215.981,
90 218.39, 1001.453, 1004.28, and 1004.70. The rules for audits of
91 local governmental entities, charter schools, charter school
92 technical career centers, and district school boards must
93 include, but are not limited to, requirements for the reporting
94 of information necessary to carry out the purposes of the Local
95 Governmental Entity, Charter School, Charter Technical Career
96 Center, and District School Board Financial Emergencies Act as
97 stated in s. 218.501.

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

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

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

106 218.501 Purposes.--The purposes of ss. 218.50-218.504 are:

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

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

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

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

119 218.503 Determination of financial emergency.--

120 (2) A local governmental entity shall notify the Governor
121 and the Legislative Auditing Committee, a charter school shall
122 notify the charter school sponsor and the Legislative Auditing
123 Committee, a charter technical career center shall notify the
124 charter technical career center sponsor and the Legislative
125 Auditing Committee, and a district school board shall notify the
126 Commissioner of Education and the Legislative Auditing Committee,
127 when one or more of the conditions specified in subsection (1)
128 have occurred or will occur if action is not taken to assist the
129 local governmental entity, charter school, charter school
130 technical career center, or district school board. In addition,
131 any state agency must, within 30 days after a determination that
132 one or more of the conditions specified in subsection (1) have
133 occurred or will occur if action is not taken to assist the local
134 governmental entity, charter school, or charter school technical
135 career center, district school board, notify the Governor,
136 charter school sponsor, charter school technical career center
137 sponsor, or the Commissioner of Education, as appropriate, and
138 the Legislative Auditing Committee.

139 (4) (a) Upon notification that one or more of the conditions
140 in subsection (1) exist, the charter school sponsor or the
141 sponsor's designee and the Commissioner of Education shall
142 contact the charter school governing body to determine what
143 actions have been taken by the charter school governing body to
144 resolve the condition. The Commissioner of Education ~~charter~~
145 ~~school sponsor~~ has the authority to require and approve a

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146 financial recovery plan, to be prepared by the charter school
147 governing body, prescribing actions that will cause the charter
148 school to no longer be subject to this section. ~~The Department of~~
149 ~~Education shall establish guidelines for developing such plans.~~

150 (b) Upon notification that one or more of the conditions in
151 subsection (1) exist, the charter technical career center sponsor
152 or the sponsor's designee and the Commissioner of Education shall
153 contact the charter technical career center governing body to
154 determine what actions have been taken by the charter technical
155 career center governing body to resolve the condition. The
156 Commissioner of Education may require and approve a financial
157 recovery plan, to be prepared by the charter technical career
158 center governing body, prescribing actions that will cause the
159 charter technical career center to no longer be subject to this
160 section.

161 (c) The Commissioner of Education shall determine if the
162 charter school or charter technical career center needs a
163 financial recovery plan to resolve the condition. If the
164 Commissioner of Education determines that a financial recovery
165 plan is needed, the charter school or charter technical career
166 center is considered to be in a state of financial emergency.

167
168 The Department of Education, with the involvement of sponsors,
169 charter schools, and charter technical career centers, shall
170 establish guidelines for developing such plans.

171 Section 5. Section 218.504, Florida Statutes, is amended to
172 read:

173 218.504 Cessation of state action.--The Governor or the
174 Commissioner of Education, as appropriate, has the authority to

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175 terminate all state actions pursuant to ss. 218.50-218.504.
176 Cessation of state action must not occur until the Governor or
177 the Commissioner of Education, as appropriate, has determined
178 that:

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

181 (a) Has established and is operating an effective financial
182 accounting and reporting system.

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

184 (2) None of the conditions outlined in s. 218.503(1)
185 exists.

186 Section 6. Paragraph (b) of subsection (5), paragraphs (a),
187 (b), and (g) of subsection (6), paragraph (a) of subsection (7),
188 paragraphs (g) through (q) of subsection (9), and subsections
189 (17) and (21) of section 1002.33, Florida Statutes, are amended,
190 present subsection (24) of that section is redesignated as
191 subsection (26), and a new subsection (24) and subsection (25)
192 are added to that section, to read:

193 1002.33 Charter schools.--

194 (5) SPONSOR; DUTIES.--

195 (b) Sponsor duties.--

196 1.a. The sponsor shall monitor and review the charter
197 school in its progress toward the goals established in the
198 charter.

199 b. The sponsor shall monitor the revenues and expenditures
200 of the charter school and perform the duties provided for in s.
201 1002.345.

202 c. The sponsor may approve a charter for a charter school
203 before the applicant has secured space, equipment, or personnel,

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204 if the applicant indicates approval is necessary for it to raise
205 working funds.

206 d. The sponsor's policies shall not apply to a charter
207 school unless mutually agreed to by both the sponsor and the
208 charter school.

209 e. The sponsor shall ensure that the charter is innovative
210 and consistent with the state education goals established by s.
211 1000.03(5).

212 f. The sponsor shall ensure that the charter school
213 participates in the state's education accountability system. If a
214 charter school falls short of performance measures included in
215 the approved charter, the sponsor shall report such shortcomings
216 to the Department of Education.

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

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

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

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

229 2. Immunity for the sponsor of a charter school under
230 subparagraph 1. applies only with respect to acts or omissions
231 not under the sponsor's direct authority as described in this
232 section.

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

235 4. A community college may work with the school district or
236 school districts in its designated service area to develop
237 charter schools that offer secondary education. These charter
238 schools must include an option for students to receive an
239 associate degree upon high school graduation. District school
240 boards shall cooperate with and assist the community college on
241 the charter application. Community college applications for
242 charter schools are not subject to the time deadlines outlined in
243 subsection (6) and may be approved by the district school board
244 at any time during the year. Community colleges shall not report
245 FTE for any students who receive FTE funding through the Florida
246 Education Finance Program.

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

249 (a) A person or entity wishing to open a charter school
250 shall prepare and submit an application on a form prepared by the
251 Department of Education, in consultation with the Florida Schools
252 of Excellence Commission, which ~~that~~:

253 1. Demonstrates how the school will use the guiding
254 principles and meet the statutorily defined purpose of a charter
255 school.

256 2. Provides a detailed curriculum plan that illustrates how
257 students will be provided services to attain the Sunshine State
258 Standards.

259 3. Contains goals and objectives for improving student
260 learning and measuring that improvement. These goals and
261 objectives must indicate how much academic improvement students

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

264 4. Describes the reading curriculum and differentiated
265 strategies that will be used for students reading at grade level
266 or higher and a separate curriculum and strategies for students
267 who are reading below grade level. A sponsor shall deny a charter
268 if the school does not propose a reading curriculum that is
269 consistent with effective teaching strategies that are grounded
270 in scientifically based reading research.

271 5. Contains an annual financial plan for each year
272 requested by the charter for operation of the school for up to 5
273 years. This plan must contain anticipated fund balances based on
274 revenue projections, a spending plan based on projected revenues
275 and expenses, and a description of controls that will safeguard
276 finances and projected enrollment trends.

277 6. Documents that the applicant has participated in the
278 training provided by the Department of Education.

279 (b) A sponsor shall receive and review all applications for
280 a charter school using an evaluation instrument developed by the
281 Department of Education. Beginning with the 2007-2008 school
282 year, a sponsor shall receive and consider charter school
283 applications received on or before August 1 of each calendar year
284 for charter schools to be opened at the beginning of the school
285 district's next school year, or to be opened at a time agreed to
286 by the applicant and the sponsor. A sponsor may receive
287 applications later than this date if it chooses. A sponsor may
288 not charge an applicant for a charter any fee for the processing
289 or consideration of an application, and a sponsor may not base

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290 its consideration or approval of an application upon the promise
291 of future payment of any kind.

292 1. In order to facilitate an accurate budget projection
293 process, a sponsor shall be held harmless for FTE students who
294 are not included in the FTE projection due to approval of charter
295 school applications after the FTE projection deadline. In a
296 further effort to facilitate an accurate budget projection,
297 within 15 calendar days after receipt of a charter school
298 application, a sponsor shall report to the Department of
299 Education the name of the applicant entity, the proposed charter
300 school location, and its projected FTE.

301 2. In order to ensure fiscal responsibility, an application
302 for a charter school shall include a full accounting of expected
303 assets, a projection of expected sources and amounts of income,
304 including income derived from projected student enrollments and
305 from community support, and an expense projection that includes
306 full accounting of the costs of operation, including start-up
307 costs.

308 3. A sponsor shall by a majority vote approve or deny an
309 application no later than 60 calendar days after the application
310 is received, unless the sponsor and the applicant mutually agree
311 in writing to temporarily postpone the vote to a specific date,
312 at which time the sponsor shall by a majority vote approve or
313 deny the application. If the sponsor fails to act on the
314 application, an applicant may appeal to the State Board of
315 Education as provided in paragraph (c). If an application is
316 denied, the sponsor shall, within 10 calendar days, articulate in
317 writing the specific reasons, based upon good cause, supporting
318 its denial of the charter application and shall provide the

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319 letter of denial and supporting documentation to the applicant
320 and to the Department of Education supporting those reasons.

321 4. For budget projection purposes, the sponsor shall report
322 to the Department of Education the approval or denial of a
323 charter application within 10 calendar days after such approval
324 or denial. In the event of approval, the report to the Department
325 of Education shall include the final projected FTE for the
326 approved charter school.

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

331 (g)1. The Department of Education shall offer or arrange
332 for training and technical assistance to charter school
333 applicants in developing business plans and estimating costs and
334 income. This assistance shall address estimating startup costs,
335 projecting enrollment, and identifying the types and amounts of
336 state and federal financial assistance the charter school will be
337 eligible to receive. The department may provide other technical
338 assistance to an applicant upon written request.

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

343 (7) CHARTER.--The major issues involving the operation of a
344 charter school shall be considered in advance and written into
345 the charter. The charter shall be signed by the governing body of
346 the charter school and the sponsor, following a public hearing to
347 ensure community input.

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

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

352 2. The focus of the curriculum, the instructional methods
353 to be used, any distinctive instructional techniques to be
354 employed, and identification and acquisition of appropriate
355 technologies needed to improve educational and administrative
356 performance which include a means for promoting safe, ethical,
357 and appropriate uses of technology which comply with legal and
358 professional standards. The charter shall ensure that reading is
359 a primary focus of the curriculum and that resources are provided
360 to identify and provide specialized instruction for students who
361 are reading below grade level. The curriculum and instructional
362 strategies for reading must be consistent with the Sunshine State
363 Standards and grounded in scientifically based reading research.

364 3. The current incoming baseline standard of student
365 academic achievement, the outcomes to be achieved, and the method
366 of measurement that will be used. The criteria listed in this
367 subparagraph shall include a detailed description for each of the
368 following:

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

371 b. How these baseline rates will be compared to rates of
372 academic progress achieved by these same students while attending
373 the charter school.

374 c. To the extent possible, how these rates of progress will
375 be evaluated and compared with rates of progress of other closely
376 comparable student populations.

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377 The district school board is required to provide academic student
378 performance data to charter schools for each of their students
379 coming from the district school system, as well as rates of
380 academic progress of comparable student populations in the
381 district school system.

382 4. The methods used to identify the educational strengths
383 and needs of students and how well educational goals and
384 performance standards are met by students attending the charter
385 school. Included in the methods is a means for the charter school
386 to ensure accountability to its constituents by analyzing student
387 performance data and by evaluating the effectiveness and
388 efficiency of its major educational programs. Students in charter
389 schools shall, at a minimum, participate in the statewide
390 assessment program created under s. 1008.22.

391 5. In secondary charter schools, a method for determining
392 that a student has satisfied the requirements for graduation in
393 s. 1003.43.

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

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

398 8. The ways by which the school will achieve a
399 racial/ethnic balance reflective of the community it serves or
400 within the racial/ethnic range of other public schools in the
401 same school district.

402 9. The financial and administrative management of the
403 school, including a reasonable demonstration of the professional
404 experience or competence of those individuals or organizations
405 applying to operate the charter school or those hired or retained

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406 to perform such professional services and the description of
407 clearly delineated responsibilities and the policies and
408 practices needed to effectively manage the charter school. A
409 description of internal audit procedures and establishment of
410 controls to ensure that financial resources are properly managed
411 must be included. Both public sector and private sector
412 professional experience shall be equally valid in such a
413 consideration.

414 10. The asset and liability projections required in the
415 application which are incorporated into the charter and which
416 shall be compared with information provided in the annual report
417 of the charter school. ~~The charter shall ensure that, if a
418 charter school internal audit or annual financial audit reveals a
419 state of financial emergency as defined in s. 218.503 or deficit
420 financial position, the auditors are required to notify the
421 charter school governing board, the sponsor, and the Department
422 of Education. The internal auditor shall report such findings in
423 the form of an exit interview to the principal or the principal
424 administrator of the charter school and the chair of the
425 governing board within 7 working days after finding the state of
426 financial emergency or deficit position. A final report shall be
427 provided to the entire governing board, the sponsor, and the
428 Department of Education within 14 working days after the exit
429 interview. When a charter school is in a state of financial
430 emergency, the charter school shall file a detailed financial
431 recovery plan with the sponsor. The department, with the
432 involvement of both sponsors and charter schools, shall establish
433 guidelines for developing such plans.~~

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434 11. A description of procedures that identify various risks
435 and provide for a comprehensive approach to reduce the impact of
436 losses; plans to ensure the safety and security of students and
437 staff; plans to identify, minimize, and protect others from
438 violent or disruptive student behavior; and the manner in which
439 the school will be insured, including whether or not the school
440 will be required to have liability insurance, and, if so, the
441 terms and conditions thereof and the amounts of coverage.

442 12. The term of the charter which shall provide for
443 cancellation of the charter if insufficient progress has been
444 made in attaining the student achievement objectives of the
445 charter and if it is not likely that such objectives can be
446 achieved before expiration of the charter. The initial term of a
447 charter shall be for 4 or 5 years. In order to facilitate access
448 to long-term financial resources for charter school construction,
449 charter schools that are operated by a municipality or other
450 public entity as provided by law are eligible for up to a 15-year
451 charter, subject to approval by the district school board. A
452 charter lab school is eligible for a charter for a term of up to
453 15 years. In addition, to facilitate access to long-term
454 financial resources for charter school construction, charter
455 schools that are operated by a private, not-for-profit, s.
456 501(c) (3) status corporation are eligible for up to a 15-year
457 charter, subject to approval by the district school board. Such
458 long-term charters remain subject to annual review and may be
459 terminated during the term of the charter, but only according to
460 the provisions set forth in subsection (8).

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

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

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

468 16. A timetable for implementing the charter which
469 addresses the implementation of each element thereof and the date
470 by which the charter shall be awarded in order to meet this
471 timetable.

472 17. In the case of an existing public school being
473 converted to charter status, alternative arrangements for current
474 students who choose not to attend the charter school and for
475 current teachers who choose not to teach in the charter school
476 after conversion in accordance with the existing collective
477 bargaining agreement or district school board rule in the absence
478 of a collective bargaining agreement. However, alternative
479 arrangements shall not be required for current teachers who
480 choose not to teach in a charter lab school, except as authorized
481 by the employment policies of the state university which grants
482 the charter to the lab school.

483 18. Full disclosure of the identity of all relatives
484 employed by the charter school who are related to the charter
485 school owner, president, chairperson of the governing board of
486 directors, superintendent, governing board member, principal,
487 assistant principal, or any other person employed by the charter
488 school having equivalent decisionmaking authority. For the
489 purpose of this subparagraph, the term "relative" means father,
490 mother, son, daughter, brother, sister, uncle, aunt, first

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491 cousin, nephew, niece, husband, wife, father-in-law, mother-in-
492 law, son-in-law, daughter-in-law, brother-in-law, sister-in-law,
493 stepfather, stepmother, stepson, stepdaughter, stepbrother,
494 stepsister, half brother, or half sister.

495 (9) CHARTER SCHOOL REQUIREMENTS.--

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

507 (g)(h) In order to provide financial information that is
508 comparable to that reported for other public schools, charter
509 schools are to maintain all financial records which constitute
510 their accounting system:

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

514 2. At the discretion of the charter school governing board,
515 a charter school may elect to follow generally accepted
516 accounting standards for not-for-profit organizations, but must
517 reformat this information for reporting according to this
518 paragraph.

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520 Charter schools shall provide annual financial report and program
521 cost report information in the state-required formats for
522 inclusion in district reporting in compliance with s. 1011.60(1).
523 Charter schools that are operated by a municipality or are a
524 component unit of a parent nonprofit organization may use the
525 accounting system of the municipality or the parent but must
526 reformat this information for reporting according to this
527 paragraph. A charter school shall provide monthly financial
528 statements to the sponsor.

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

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

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

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

539 2. Reviewing and approving the audit report, including
540 audit findings and recommendations for the financial recovery
541 plan.

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

544 b. Monitoring a financial recovery plan in order to ensure
545 compliance.

546 4. Participating in governance training approved by the
547 department that must include government in the sunshine,
548 conflicts of interest, ethics, and financial responsibility.

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549 (k)~~(l)~~ The governing body of the charter school shall
550 report its progress annually to its sponsor, which shall forward
551 the report to the Commissioner of Education at the same time as
552 other annual school accountability reports. The Department of
553 Education shall develop a uniform, online annual accountability
554 report to be completed by charter schools. This report shall be
555 easy to utilize and contain demographic information, student
556 performance data, and financial accountability information. A
557 charter school shall not be required to provide information and
558 data that is duplicative and already in the possession of the
559 department. The Department of Education shall include in its
560 compilation a notation if a school failed to file its report by
561 the deadline established by the department. The report shall
562 include at least the following components:

563 1. Student achievement performance data, including the
564 information required for the annual school report and the
565 education accountability system governed by ss. 1008.31 and
566 1008.345. Charter schools are subject to the same accountability
567 requirements as other public schools, including reports of
568 student achievement information that links baseline student data
569 to the school's performance projections identified in the
570 charter. The charter school shall identify reasons for any
571 difference between projected and actual student performance.

572 2. Financial status of the charter school which must
573 include revenues and expenditures at a level of detail that
574 allows for analysis of the ability to meet financial obligations
575 and timely repayment of debt.

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

579 4. Descriptive information about the charter school's
580 personnel, including salary and benefit levels of charter school
581 employees, the proportion of instructional personnel who hold
582 professional or temporary certificates, and the proportion of
583 instructional personnel teaching in-field or out-of-field.

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

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

589 (n)~~(o)~~ The director and a representative of the governing
590 body of a charter school that has received a school grade of "D"
591 under s. 1008.34(2) shall appear before the sponsor or the
592 sponsor's staff at least once a year to present information
593 concerning each contract component having noted deficiencies. The
594 sponsor shall communicate at the meeting, and in writing to the
595 director, the services provided to the school to help the school
596 address its deficiencies.

597 (o)~~(p)~~ Upon notification that a charter school receives a
598 school grade of "D" for 2 consecutive years or a school grade of
599 "F" under s. 1008.34(2), the charter school sponsor or the
600 sponsor's staff shall require the director and a representative
601 of the governing body to submit to the sponsor for approval a
602 school improvement plan to raise student achievement and to
603 implement the plan. The sponsor has the authority to approve a
604 school improvement plan that the charter school will implement in

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605 the following school year. The sponsor may also consider the
606 State Board of Education's recommended action pursuant to s.
607 1008.33(1) as part of the school improvement plan. The Department
608 of Education shall offer technical assistance and training to the
609 charter school and its governing body and establish guidelines
610 for developing, submitting, and approving such plans.

611 1. If the charter school fails to improve its student
612 performance from the year immediately prior to the implementation
613 of the school improvement plan, the sponsor shall place the
614 charter school on probation and shall require the charter school
615 governing body to take one of the following corrective actions:

616 a. Contract for the educational services of the charter
617 school;

618 b. Reorganize the school at the end of the school year
619 under a new director or principal who is authorized to hire new
620 staff and implement a plan that addresses the causes of
621 inadequate progress; or

622 c. Reconstitute the charter school.

623 2. A charter school that is placed on probation shall
624 continue the corrective actions required under subparagraph 1.
625 until the charter school improves its student performance from
626 the year prior to the implementation of the school improvement
627 plan.

628 3. Notwithstanding any provision of this paragraph, the
629 sponsor may terminate the charter at any time pursuant to the
630 provisions of subsection (8).

631 (p) ~~(q)~~ The director and a representative of the governing
632 body of a graded charter school that has submitted a school
633 improvement plan or has been placed on probation under paragraph

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634 (o) ~~(p)~~ shall appear before the sponsor or the sponsor's staff at
635 least once a year to present information regarding the corrective
636 strategies that are being implemented by the school pursuant to
637 the school improvement plan. The sponsor shall communicate at the
638 meeting, and in writing to the director, the services provided to
639 the school to help the school address its deficiencies.

640 (17) FUNDING.--Students enrolled in a charter school,
641 regardless of the sponsorship, shall be funded as if they are in
642 a basic program or a special program, the same as students
643 enrolled in other public schools in the school district. Funding
644 for a charter lab school shall be as provided in s. 1002.32. The
645 maximum number of students eligible to be funded in any classroom
646 of any charter school shall be the maximum number prescribed by
647 law.

648 (a) Each charter school shall report its student enrollment
649 to the sponsor as required in s. 1011.62, and in accordance with
650 the definitions in s. 1011.61. The sponsor shall include each
651 charter school's enrollment in the district's report of student
652 enrollment. All charter schools submitting student record
653 information required by the Department of Education shall comply
654 with the Department of Education's guidelines for electronic data
655 formats for such data, and all districts shall accept electronic
656 data that complies with the Department of Education's electronic
657 format.

658 (b) The basis for the agreement for funding students
659 enrolled in a charter school shall be the sum of the school
660 district's operating funds from the Florida Education Finance
661 Program as provided in s. 1011.62 and the General Appropriations
662 Act, including gross state and local funds, discretionary lottery

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663 funds, and funds from the school district's current operating
664 discretionary millage levy; divided by total funded weighted
665 full-time equivalent students in the school district; multiplied
666 by the weighted full-time equivalent students for the charter
667 school. Charter schools whose students or programs meet the
668 eligibility criteria in law shall be entitled to their
669 proportionate share of categorical program funds included in the
670 total funds available in the Florida Education Finance Program by
671 the Legislature, including transportation. Total funding for each
672 charter school shall be recalculated during the year to reflect
673 the revised calculations under the Florida Education Finance
674 Program by the state and the actual weighted full-time equivalent
675 students reported by the charter school during the full-time
676 equivalent student survey periods designated by the Commissioner
677 of Education.

678 (c) If the district school board is providing programs or
679 services to students funded by federal funds, any eligible
680 students enrolled in charter schools in the school district shall
681 be provided federal funds for the same level of service provided
682 students in the schools operated by the district school board.
683 Pursuant to provisions of 20 U.S.C. 8061 s. 10306, all charter
684 schools shall receive all federal funding for which the school is
685 otherwise eligible, including Title I funding, not later than 5
686 months after the charter school first opens and within 5 months
687 after any subsequent expansion of enrollment.

688 (d) District school boards shall make timely and efficient
689 payment and reimbursement to charter schools, including
690 processing paperwork required to access special state and federal
691 funding for which they may be eligible. The district school board

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692 may distribute funds to a charter school for up to 3 months based
693 on the projected full-time equivalent student membership of the
694 charter school. Thereafter, the results of full-time equivalent
695 student membership surveys shall be used in adjusting the amount
696 of funds distributed monthly to the charter school for the
697 remainder of the fiscal year. The payment shall be issued no
698 later than 10 working days after the district school board
699 receives a distribution of state or federal funds. If a warrant
700 for payment is not issued within 10 working days after receipt of
701 funding by the district school board, the school district shall
702 pay to the charter school, in addition to the amount of the
703 scheduled disbursement, interest at a rate of 1 percent per month
704 calculated on a daily basis on the unpaid balance from the
705 expiration of the 10 working days until such time as the warrant
706 is issued.

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

708 (a) The Department of Education shall provide information
709 to the public, directly and through sponsors, both on how to form
710 and operate a charter school and on how to enroll in charter
711 schools once they are created. This information shall include a
712 standard application format, charter format, and charter renewal
713 format which shall include the information specified in
714 subsection (7) and shall be developed by consulting and
715 negotiating with both school districts and charter schools before
716 implementation. These formats shall be used ~~as guidelines~~ by
717 charter school sponsors.

718 (b)1. The Department of Education shall report student
719 assessment data pursuant to s. 1008.34(3)(b) which is reported to
720 schools that receive a school grade pursuant to s. 1008.34 or

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721 student assessment data pursuant to s. 1008.341(3) which is
722 reported to alternative schools that receive a school improvement
723 rating pursuant to s. 1008.341 to each charter school that:

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

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

728 2. The charter school shall report the information in
729 subparagraph 1. to each parent of a student at the charter
730 school, the parent of a child on a waiting list for the charter
731 school, the district in which the charter school is located, and
732 the governing board of the charter school. This paragraph does
733 not abrogate the provisions of s. 1002.22, relating to student
734 records, and the requirements of 20 U.S.C. s. 1232g, the Family
735 Educational Rights and Privacy Act.

736 3.a. Pursuant to this paragraph, the Department of
737 Education shall compare the charter school student performance
738 data for each charter school in subparagraph 1. with the student
739 performance data in traditional public schools in the district in
740 which the charter school is located and other charter schools in
741 the state. For charter alternative charter schools, the
742 department shall compare the student performance data described
743 in this paragraph with all alternative schools in the state. The
744 comparative data shall be provided by the following grade
745 groupings:

746 (I) Grades 3 through 5;

747 (II) Grades 6 through 8; and

748 (III) Grades 9 through 11.

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749 b. Each charter school shall provide the information in
750 this paragraph on its Internet website and also provide notice to
751 the public in a manner that notifies the community at large, as
752 provided by rules of the State Board of Education. The State
753 Board of Education shall adopt rules to administer the notice
754 requirements of this subparagraph pursuant to ss. 120.536(1) and
755 120.54. The website shall include, through links or actual
756 content, other information related to school performance.

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

758 (a) This subsection applies to charter school personnel in
759 a charter school operated by a private entity. As used in this
760 subsection, the term:

761 1. "Charter school personnel" means a charter school owner,
762 president, chairperson of the governing board of directors,
763 superintendent, governing board member, principal, assistant
764 principal, or any other person employed by the charter school
765 having equivalent decisionmaking authority and in whom is vested
766 the authority, or to whom the authority has been delegated, to
767 appoint, employ, promote, or advance individuals or to recommend
768 individuals for appointment, employment, promotion, or
769 advancement in connection with employment in a charter school,
770 including the authority as a member of a governing body of a
771 charter school to vote on the appointment, employment, promotion,
772 or advancement of individuals.

773 2. "Relative" means father, mother, son, daughter, brother,
774 sister, uncle, aunt, first cousin, nephew, niece, husband, wife,
775 father-in-law, mother-in-law, son-in-law, daughter-in-law,
776 brother-in-law, sister-in-law, stepfather, stepmother, stepson,

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777 stepdaughter, stepbrother, stepsister, half brother, or half
778 sister.

779 (b) Charter school personnel may not appoint, employ,
780 promote, or advance, or advocate for appointment, employment,
781 promotion, or advancement, in or to a position in the charter
782 school in which the personnel are serving or over which the
783 personnel exercises jurisdiction or control any individual who is
784 a relative. An individual may not be appointed, employed,
785 promoted, or advanced in or to a position in a charter school if
786 such appointment, employment, promotion, or advancement has been
787 advocated by charter school personnel who serve in or exercise
788 jurisdiction or control over the charter school and who is a
789 relative of the individual or if such appointment, employment,
790 promotion, or advancement is made by the governing board of which
791 a relative of the individual is a member.

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

796 (25) (a) A member of a governing board of a charter school,
797 including a charter school operated by a private entity, is
798 subject to the provisions of ss. 112.313(2), (3), (7), and (12)
799 and 112.3143(3).

800 (b) A member of a governing board of a charter school
801 operated by a municipality or other public entity is subject to
802 the provisions of s. 112.3144, relating to the disclosure of
803 financial interests.

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804 Section 7. Subsection (5), paragraph (a) of subsection (7),
805 paragraph (a) of subsection (11), and subsection (12) of section
806 1002.335, Florida Statutes, are amended to read:

807 1002.335 Florida Schools of Excellence Commission.--

808 (5) CHARTERING AUTHORITY.--

809 (a) A charter school applicant may submit an application to
810 the commission only if the school district in which the FSE
811 charter school is to be located has not retained exclusive
812 authority to authorize charter schools as provided in paragraph
813 (e). If a district school board has not retained exclusive
814 authority to authorize charter schools as provided in paragraph
815 (e), the district school board and the commission shall have
816 concurrent authority to authorize charter schools and FSE charter
817 schools, respectively, to be located within the geographic
818 boundaries of the school district. The district school board
819 shall monitor and oversee all charter schools authorized by the
820 district school board pursuant to s. 1002.33. The commission
821 shall monitor and oversee all FSE charter schools sponsored by
822 the commission pursuant to subsection (4).

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

829 (c) For fiscal year 2007-2008 and for each fiscal year
830 thereafter, a district school board may seek ~~to retain~~ exclusive
831 authority to authorize charter schools within the geographic
832 boundaries of the school district by presenting to the State

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833 Board of Education, on or before March 1 of the fiscal year prior
834 to that for which the exclusive authority is to apply, a written
835 resolution adopted by the district school board indicating the
836 intent to seek ~~retain~~ exclusive authority to authorize charter
837 schools. A district school board may seek ~~to retain~~ the exclusive
838 authority to authorize charter schools by presenting to the state
839 board the written resolution on or before a date 60 days after
840 establishment of the commission. The written resolution shall be
841 accompanied by a written description addressing the elements
842 described in paragraph (e). The district school board shall
843 provide a complete copy of the resolution, including the
844 description, to each charter school authorized by the district
845 school board on or before the date it submits the resolution to
846 the state board.

847 (d) A party may challenge the grant of exclusive authority
848 made by the State Board of Education pursuant to paragraph (e) by
849 filing with the state board a notice of challenge within 30 days
850 after the state board grants initial exclusive authority. The
851 notice shall be accompanied by a specific written description of
852 the basis for the challenge. The challenging party, at the time
853 of filing notice with the state board, shall provide a copy of
854 the notice of challenge to the district school board that has
855 been granted exclusive authority. The state board shall permit
856 the district school board the opportunity to appear and respond
857 in writing to the challenge. The state board shall make a
858 determination upon the challenge within 60 days after receiving
859 the notice of challenge.

860 (e) The State Board of Education shall grant to a district
861 school board exclusive authority to authorize charter schools

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862 within the geographic boundaries of the school district if the
863 state board determines, after adequate notice, in a public
864 hearing, and after receiving input from any charter school
865 authorized by the district school board, that the district school
866 board has provided fair and equitable treatment to its charter
867 schools during the 4 years prior to the district school board's
868 submission of the resolution described in paragraph (c). The
869 state board's review of the resolution shall, at a minimum,
870 include consideration of the following:

- 871 1. Compliance with the provisions of s. 1002.33.
- 872 2. Compliance with full and accurate accounting practices
873 and charges for central administrative overhead costs.
- 874 3. Compliance with requirements allowing a charter school,
875 at its discretion, to purchase certain services or a combination
876 of services at actual cost to the district.
- 877 4. The absence of a district school board moratorium
878 regarding charter schools or the absence of any districtwide
879 charter school enrollment limits.
- 880 5. Compliance with valid orders of the state board.
- 881 6. The provision of assistance to charter schools to meet
882 their facilities needs by including those needs in local bond
883 issues or otherwise providing available land and facilities that
884 are comparable to those provided to other public school students
885 in the same grade levels within the school district.
- 886 7. The distribution to charter schools authorized by the
887 district school board of a pro rata share of federal and state
888 grants received by the district school board, except for any
889 grant received for a particular purpose which, by its express
890 terms, is intended to benefit a student population not able to be

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891 served by, or a program not able to be offered at, a charter
892 school that did not receive a proportionate share of such grant
893 proceeds.

894 8. The provision of adequate staff and other resources to
895 serve charter schools authorized by the district school board,
896 which services are provided by the district school board at a
897 cost to the charter schools that does not exceed their actual
898 cost to the district school board.

899 9. The lack of a policy or practice of imposing individual
900 charter school enrollment limits, except as otherwise provided by
901 law.

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

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

911 (g) For district school boards that have no discernible
912 history of authorizing charter schools, the State Board of
913 Education may not grant exclusive authority unless the district
914 school board demonstrates that no approvable application has come
915 before the district school board.

916 (h)1. A grant of exclusive authority by the State Board of
917 Education shall continue so long as a district school board
918 continues to comply with this section ~~and has presented a written~~
919 ~~resolution to the state board as set forth in paragraph (c).~~ For

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920 purposes of this paragraph, there is established a rebuttable
921 presumption that a district school board that has been granted
922 exclusivity is acting in good faith in its capacity to review
923 applications.

924 2. A party may challenge the grant of exclusive authority
925 made by the State Board of Education pursuant to this paragraph
926 by filing with the state board a notice of challenge. The notice
927 shall be accompanied by a specific written description of the
928 basis for the challenge. The challenging party, at the time of
929 filing notice with the state board, shall provide a copy of the
930 notice of challenge to the district school board that has been
931 granted exclusive authority. The State Board of Education shall
932 permit the district school board the opportunity to appear and
933 respond in writing to the challenge. The state board shall make a
934 determination upon the challenge within 60 days after receiving
935 the notice of challenge.

936 (i) Notwithstanding any other provision of this section to
937 the contrary, a district school board may permit the
938 establishment of one or more FSE charter schools within the
939 geographic boundaries of the school district by adopting a
940 favorable resolution and submitting the resolution to the State
941 Board of Education. The resolution shall be effective until it is
942 rescinded by resolution of the district school board.

943 (7) COSPONSOR AGREEMENT.--

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

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

950 2. Incorporation of the requirements of equal access for
951 all students, including any plans to provide food service or
952 transportation reasonably necessary to provide access to as many
953 students as possible.

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

956 4. An explanation of the academic and financial goals and
957 expected outcomes for the cosponsor's charter schools and the
958 method and plans by which they will be measured and achieved as
959 referenced in the application.

960 5. The conflict-of-interest policies referenced in the
961 application.

962 6. An explanation of the disposition of facilities and
963 assets upon termination and dissolution of a charter school
964 approved by the cosponsor.

965 7.a. A provision requiring the cosponsor to annually appear
966 before the commission and provide a report as to the information
967 provided pursuant to s. 1002.33(9)(1) for each of its charter
968 schools.

969 b. A provision requiring the cosponsor to perform the
970 duties provided for in s. 1002.345.

971 c. A provision requiring the governing board to perform the
972 duties provided for in s. 1002.345, including monitoring the
973 corrective action plan.

974 8. A provision requiring that the cosponsor report the
975 student enrollment in each of its sponsored charter schools to

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976 the district school board of the county in which the school is
977 located.

978 9. A provision requiring that the cosponsor work with the
979 commission to provide the necessary reports to the State Board of
980 Education.

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

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

984 (a) The provisions of s. 1002.33(7)-(12), (14), ~~and~~ (16)-
985 (19), (21)(b), (24), and (25) ~~shall~~ apply to the commission and
986 the cosponsors and charter schools approved pursuant to this
987 section.

988 (12) ACCESS TO INFORMATION.--The commission shall provide
989 maximum access to information to all parents in the state. It
990 shall maintain information systems, including, but not limited
991 to, a user-friendly Internet website, that will provide
992 information and data necessary for parents to make informed
993 decisions, including a link to the information provided in s.
994 1002.33(21)(b)3.b. At a minimum, the commission must provide
995 parents with information on its accountability standards, links
996 to schools of excellence throughout the state, and public
997 education programs available in the state.

998 Section 8. Subsections (4) and (5), paragraphs (d) and (f)
999 of subsection (6), paragraph (c) of subsection (10), subsection
1000 (13) of section 1002.34, Florida Statutes, are amended to read:

1001 1002.34 Charter technical career centers.--

1002 (4) CHARTER.--A sponsor may designate centers as provided
1003 in this section. An application to establish a center may be
1004 submitted by a sponsor or another organization that is

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1005 | determined, by rule of the State Board of Education, to be
1006 | appropriate. However, an independent school is not eligible for
1007 | status as a center. The charter must be signed by the governing
1008 | body of the center and the sponsor, and must be approved by the
1009 | district school board and community college board of trustees in
1010 | whose geographic region the facility is located. If a charter
1011 | technical career center is established by the conversion to
1012 | charter status of a public technical center formerly governed by
1013 | a district school board, the charter status of that center takes
1014 | precedence in any question of governance. The governance of the
1015 | center or of any program within the center remains with its board
1016 | of directors unless the board agrees to a change in governance or
1017 | its charter is revoked as provided in subsection (15). Such a
1018 | conversion charter technical career center is not affected by a
1019 | change in the governance of public technical centers or of
1020 | programs within other centers that are or have been governed by
1021 | district school boards. A charter technical career center, or any
1022 | program within such a center, that was governed by a district
1023 | school board and transferred to a community college prior to the
1024 | effective date of this act is not affected by this provision. An
1025 | applicant who wishes to establish a center must submit to the
1026 | district school board or community college board of trustees, or
1027 | a consortium of one or more of each, an application on a form
1028 | developed by the Department of Education which ~~that~~ includes:

1029 | (a) The name of the proposed center.

1030 | (b) The proposed structure of the center, including a list
1031 | of proposed members of the board of directors or a description of
1032 | the qualifications for and method of their appointment or
1033 | election.

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1034 (c) The workforce development goals of the center, the
1035 curriculum to be offered, and the outcomes and the methods of
1036 assessing the extent to which the outcomes are met.

1037 (d) The admissions policy and criteria for evaluating the
1038 admission of students.

1039 (e) A description of the staff responsibilities and the
1040 proposed qualifications of the teaching staff.

1041 (f) A description of the procedures to be implemented to
1042 ensure significant involvement of representatives of business and
1043 industry in the operation of the center.

1044 (g) A method for determining whether a student has
1045 satisfied the requirements for graduation specified in s. 1003.43
1046 and for completion of a postsecondary certificate or degree.

1047 (h) A method for granting secondary and postsecondary
1048 diplomas, certificates, and degrees.

1049 (i) A description of and address for the physical facility
1050 in which the center will be located.

1051 (j) A method of resolving conflicts between the governing
1052 body of the center and the sponsor and between consortium
1053 members, if applicable.

1054 (k) A method for reporting student data as required by law
1055 and rule.

1056 (l) A statement that the applicant has participated in the
1057 training provided by the Department of Education.

1058 (m) The identity of all relatives employed by the charter
1059 technical career center who are related to the center owner,
1060 president, chairperson of the governing board of directors,
1061 superintendent, governing board member, principal, assistant
1062 principal, or any other person employed by the center who has

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1063 equivalent decisionmaking authority. As used in this paragraph,
1064 the term "relative" means father, mother, son, daughter, brother,
1065 sister, uncle, aunt, first cousin, nephew, niece, husband, wife,
1066 father-in-law, mother-in-law, son-in-law, daughter-in-law,
1067 brother-in-law, sister-in-law, stepfather, stepmother, stepson,
1068 stepdaughter, stepbrother, stepsister, half brother, or half
1069 sister.

1070 (m)~~(l)~~ Other information required by the district school
1071 board or community college board of trustees.

1072
1073 Students at a center must meet the same testing and academic
1074 performance standards as those established by law and rule for
1075 students at public schools and public technical centers. The
1076 students must also meet any additional assessment indicators that
1077 are included within the charter approved by the district school
1078 board or community college board of trustees.

1079 (5) APPLICATION.--An application to establish a center must
1080 be submitted by February 1 of the year preceding the school year
1081 in which the center will begin operation. The sponsor must review
1082 the application using an evaluation instrument developed by the
1083 Department of Education and make a final decision on whether to
1084 approve the application and grant the charter by March 1, and may
1085 condition the granting of a charter on the center's taking
1086 certain actions or maintaining certain conditions. Such actions
1087 and conditions must be provided to the applicant in writing. The
1088 district school board or community college board of trustees is
1089 not required to issue a charter to any person.

1090 (6) SPONSOR.--A district school board or community college
1091 board of trustees or a consortium of one or more of each may

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1092 sponsor a center in the county in which the board has
1093 jurisdiction.

1094 (d)1. The Department of Education shall offer or arrange
1095 for training and technical assistance to applicants in developing
1096 business plans and estimating costs and income. This assistance
1097 shall address estimating startup costs, projecting enrollment,
1098 and identifying the types and amounts of state and federal
1099 financial assistance the center will be eligible to receive. The
1100 training shall include instruction in accurate financial planning
1101 and good business practices.

1102 2. An applicant must participate in the training provided
1103 by the Department of Education prior to filing an application.
1104 The Department of Education may provide technical assistance to
1105 an applicant upon written request.

1106 (f) The sponsor shall monitor and review the center's
1107 progress toward charter goals and shall monitor the center's
1108 revenues and expenditures. The sponsor shall perform the duties
1109 provided for in s. 1002.345.

1110 (10) EXEMPTION FROM STATUTES.--

1111 (c) A center must comply with the antidiscrimination
1112 provisions of s. 1000.05 and the provisions of s. 1002.33(24),
1113 relating to the employment of relatives.

1114 (13) BOARD OF DIRECTORS AUTHORITY.--The board of directors
1115 of a center may decide matters relating to the operation of the
1116 school, including budgeting, curriculum, and operating
1117 procedures, subject to the center's charter. The board of
1118 directors is responsible for performing the duties provided for
1119 in s. 1002.345, including monitoring the corrective action plan.

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1120 The board of directors must comply with the provisions of s.
1121 1002.33(25).

1122 Section 9. Section 1002.345, Florida Statutes, is created
1123 to read:

1124 1002.345 Determination of financial weaknesses and
1125 financial emergencies for charter schools and charter technical
1126 career centers.--This section applies to charter schools
1127 operating pursuant to ss. 1002.33 and 1002.335, and to charter
1128 technical career centers operating pursuant to s. 1002.34.

1129 (1) FINANCIAL WEAKNESS; REQUIREMENTS.--

1130 (a) A charter school and a charter technical career center
1131 shall be subject to an expedited review by the sponsor when any
1132 one of the following conditions occurs:

1133 1. An end-of-year financial deficit.

1134 2. A substantial decline in student enrollment without a
1135 commensurate reduction in expenses.

1136 3. Insufficient revenues to pay current operating expenses.

1137 4. Insufficient revenues to pay long-term expenses.

1138 5. Disproportionate administrative expenses.

1139 6. Excessive debt.

1140 7. Excessive expenditures.

1141 8. Inadequate fund balances or reserves.

1142 9. Failure to meet financial reporting requirements
1143 pursuant to s. 1002.33(9), s. 1002.335(7)(a)7., or s.
1144 1002.34(14).

1145 10. Weak financial controls or other adverse financial
1146 conditions identified through an internal audit or annual audit
1147 conducted pursuant to s. 218.39.

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1148 11. Negative financial findings cited in reports by the
1149 Auditor General or the Office of Program Policy Analysis and
1150 Government Accountability.

1151 (b) A sponsor shall notify the governing board within 7
1152 working days when one or more of the conditions specified in
1153 paragraph (a) occur.

1154 (c) The governing board and the sponsor shall develop a
1155 corrective action plan and file the plan with the Commissioner of
1156 Education and the Florida Schools of Excellence Commission within
1157 30 working days. If the governing board and the sponsor are
1158 unable to agree on a corrective action plan, the State Board of
1159 Education shall determine the components of the plan. The
1160 governing board shall implement the plan.

1161 (d) The governing board shall include the corrective action
1162 plan and the status of its implementation in the annual progress
1163 report to the sponsor that is required under s. 1002.33(9)(1), s.
1164 1002.335(7)(a)7., or s. 1002.34(14).

1165 (e) If the governing board fails to implement the
1166 corrective action plan within 1 year, the State Board of
1167 Education shall prescribe any steps necessary for the charter
1168 school or the charter technical career center to comply with
1169 state requirements.

1170 (f) The chair of the governing board shall annually appear
1171 before the State Board of Education and report on the
1172 implementation of the State Board of Education's requirements.

1173 (2) FINANCIAL EMERGENCY; DEFICIT FUND BALANCE; DEFICIT NET
1174 ASSETS; REQUIREMENTS.--

1175 (a) A charter school and a charter technical career center
1176 shall provide for a certified public accountant or auditor to

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1177 conduct an annual financial audit in accordance with s. 218.39.

1178 (b) The charter shall ensure that, if an internal audit or
1179 annual financial audit of a charter school or charter technical
1180 career center reveals one or more of the conditions in s.
1181 218.503(1) have occurred or will occur if action is not taken or
1182 if a charter school or charter technical career center has a
1183 deficit fund balance or deficit net assets, the auditor must
1184 notify the governing board of the charter school or charter
1185 technical career center, as appropriate, the sponsor, and the
1186 Commissioner of Education.

1187 (c) When a financial audit conducted by a certified public
1188 accountant or auditor in accordance with s. 218.503 reveals that
1189 one or more of the conditions in s. 218.503(1) have occurred or
1190 will occur if action is not taken or when a deficit fund balance
1191 or deficit net assets exist, the auditor shall notify and provide
1192 the financial audit to the governing board of the charter school
1193 or charter technical career center, as appropriate, the sponsor,
1194 and the Commissioner of Education within 7 working days after the
1195 finding is made.

1196 1. The internal auditor shall:

1197 a. Report the findings in the form of an exit interview
1198 with the principal or the principal administrator of the charter
1199 school or the director of the charter technical career center, as
1200 appropriate, and the chair of the governing board within 7
1201 working days after the finding is made.

1202 b. Provide a final report to all members of the governing
1203 board, the sponsor, and the Department of Education within 14
1204 working days after the exit interview.

1205 2. When the charter school or charter technical career

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1206 center is found to be in a state of financial emergency pursuant
1207 to s. 218.503(4), the charter school or charter technical career
1208 center shall file a detailed financial recovery plan as provided
1209 for in s. 218.503 with the sponsor within 30 days after being
1210 notified by the Commissioner of Education that a financial
1211 recovery plan is needed.

1212 (d) The sponsor shall file a copy of the financial recovery
1213 plan with the Commissioner of Education and the Florida Schools
1214 of Excellence Commission.

1215 (e) The governing board shall include the financial
1216 recovery plan and the status of its implementation in the annual
1217 progress report to the sponsor which is required under s.
1218 1002.33(9)(1), s. 1002.335(7)(a)7., or s. 1002.34(14).

1219 (3) REPORT.--The Commissioner of Education shall annually
1220 report to the State Board of Education each charter school and
1221 charter technical career center that is subject to a financial
1222 recovery plan or a corrective action plan under this section.

1223 (4) RULES.--The State Board of Education shall adopt rules
1224 pursuant to ss. 120.536(1) and 120.54 for developing financial
1225 recovery and corrective action plans.

1226 (5) TECHNICAL ASSISTANCE.--The Department of Education
1227 shall provide technical assistance to charter schools, charter
1228 technical career centers, governing boards, and sponsors in
1229 developing financial recovery and corrective action plans.

1230 (6) FAILURE TO CORRECT DEFICIENCIES.--The sponsor may
1231 choose not to renew or may terminate a charter if the charter
1232 school or charter technical career center fails to correct the
1233 deficiencies in the corrective action plan within 1 year or

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1234 | exhibits one or more financial emergency conditions as provided
1235 | in s. 218.503 for 2 consecutive years.

1236 | Section 10. This act shall take effect July 1, 2008.