

By the Committees on Education Pre-K - 12; 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 presumption for
35 district school boards that are granted exclusivity;
36 providing for informal hearings; specifying additional
37 components of cosponsor agreements; amending s. 1002.34,
38 F.S.; providing additional duties for charter technical
39 career centers, applicants, sponsors, and governing
40 boards; requiring the Department of Education to offer or
41 arrange training and assistance to applicants for a
42 charter technical career center; requiring that an
43 applicant participate in the training; creating s.
44 1002.345, F.S.; establishing criteria and requirements for
45 charter schools and charter technical career centers that
46 have financial weaknesses or are in a state of financial
47 emergency; establishing requirements for charter schools,
48 charter technical career centers, governing bodies, and
49 sponsors; requiring financial audits of charter schools
50 and charter technical career centers; providing for
51 corrective action and financial recovery plans; providing
52 for duties of auditors, the Commissioner of Education, and
53 the Department of Education; requiring the State Board of
54 Education to adopt rules; providing grounds for
55 termination or nonrenewal of a charter; providing an
56 effective date.

57
58 Be It Enacted by the Legislature of the State of Florida:

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

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

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

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

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

107 218.501 Purposes.--The purposes of ss. 218.50-218.504 are:

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

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

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

118 Section 4. Subsections (1), (2), and (4) of section
119 218.503, Florida Statutes, are amended to read:

120 218.503 Determination of financial emergency.--

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

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

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

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

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

136 2. Employer and employee contributions for:

137 a. Federal social security; or

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

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

141 1. Wages and salaries owed to employees; or

142 2. Retirement benefits owed to former employees.

143 (e) An unreserved or total fund balance or retained

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

157 (2) A local governmental entity shall notify the Governor
158 and the Legislative Auditing Committee, a charter school shall
159 notify the charter school sponsor and the Legislative Auditing
160 Committee, a charter technical career center shall notify the
161 charter technical career center sponsor and the Legislative
162 Auditing Committee, and a district school board shall notify the
163 Commissioner of Education and the Legislative Auditing Committee,
164 when one or more of the conditions specified in subsection (1)
165 have occurred or will occur if action is not taken to assist the
166 local governmental entity, charter school, charter school
167 technical career center, or district school board. In addition,
168 any state agency must, within 30 days after a determination that
169 one or more of the conditions specified in subsection (1) have
170 occurred or will occur if action is not taken to assist the local
171 governmental entity, charter school, or charter school technical
172 career center, district school board, notify the Governor,

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173 charter school sponsor, charter school technical career center
174 sponsor, or the Commissioner of Education, as appropriate, and
175 the Legislative Auditing Committee.

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

187 (b) Upon notification that one or more of the conditions in
188 subsection (1) exist, the charter technical career center sponsor
189 or the sponsor's designee and the Commissioner of Education shall
190 contact the charter technical career center governing body to
191 determine what actions have been taken by the charter technical
192 career center governing body to resolve the condition. The
193 Commissioner of Education may require and approve a financial
194 recovery plan, to be prepared by the charter technical career
195 center governing body, prescribing actions that will cause the
196 charter technical career center to no longer be subject to this
197 section.

198 (c) The Commissioner of Education shall determine if the
199 charter school or charter technical career center needs a
200 financial recovery plan to resolve the condition. If the
201 Commissioner of Education determines that a financial recovery

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202 plan is needed, the charter school or charter technical career
203 center is considered to be in a state of financial emergency.

204

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

208 Section 5. Section 218.504, Florida Statutes, is amended to
209 read:

210 218.504 Cessation of state action.--The Governor or the
211 Commissioner of Education, as appropriate, has the authority to
212 terminate all state actions pursuant to ss. 218.50-218.504.
213 Cessation of state action must not occur until the Governor or
214 the Commissioner of Education, as appropriate, has determined
215 that:

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

218 (a) Has established and is operating an effective financial
219 accounting and reporting system.

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

221 (2) None of the conditions outlined in s. 218.503(1)
222 exists.

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

230 1002.33 Charter schools.--

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231 (5) SPONSOR; DUTIES.--

232 (b) Sponsor duties.--

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

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

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

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

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

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

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

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

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

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

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

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

272 4. A community college may work with the school district or
273 school districts in its designated service area to develop
274 charter schools that offer secondary education. These charter
275 schools must include an option for students to receive an
276 associate degree upon high school graduation. District school
277 boards shall cooperate with and assist the community college on
278 the charter application. Community college applications for
279 charter schools are not subject to the time deadlines outlined in
280 subsection (6) and may be approved by the district school board
281 at any time during the year. Community colleges shall not report
282 FTE for any students who receive FTE funding through the Florida
283 Education Finance Program.

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

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

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

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

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

301 4. Describes the reading curriculum and differentiated
302 strategies that will be used for students reading at grade level
303 or higher and a separate curriculum and strategies for students
304 who are reading below grade level. A sponsor shall deny a charter
305 if the school does not propose a reading curriculum that is
306 consistent with effective teaching strategies that are grounded
307 in scientifically based reading research.

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

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314 6. Documents that the applicant has participated in the
315 training provided by the Department of Education.

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

329 1. In order to facilitate an accurate budget projection
330 process, a sponsor shall be held harmless for FTE students who
331 are not included in the FTE projection due to approval of charter
332 school applications after the FTE projection deadline. In a
333 further effort to facilitate an accurate budget projection,
334 within 15 calendar days after receipt of a charter school
335 application, a sponsor shall report to the Department of
336 Education the name of the applicant entity, the proposed charter
337 school location, and its projected FTE.

338 2. In order to ensure fiscal responsibility, an application
339 for a charter school shall include a full accounting of expected
340 assets, a projection of expected sources and amounts of income,
341 including income derived from projected student enrollments and
342 from community support, and an expense projection that includes

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343 full accounting of the costs of operation, including start-up
344 costs.

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

358 4. For budget projection purposes, the sponsor shall report
359 to the Department of Education the approval or denial of a
360 charter application within 10 calendar days after such approval
361 or denial. In the event of approval, the report to the Department
362 of Education shall include the final projected FTE for the
363 approved charter school.

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

368 (g)1. The Department of Education shall offer or arrange
369 for training and technical assistance to charter school
370 applicants in developing business plans and estimating costs and
371 income. This assistance shall address estimating startup costs,

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372 projecting enrollment, and identifying the types and amounts of
373 state and federal financial assistance the charter school will be
374 eligible to receive. The department may provide other technical
375 assistance to an applicant upon written request.

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

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

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

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

389 2. The focus of the curriculum, the instructional methods
390 to be used, any distinctive instructional techniques to be
391 employed, and identification and acquisition of appropriate
392 technologies needed to improve educational and administrative
393 performance which include a means for promoting safe, ethical,
394 and appropriate uses of technology which comply with legal and
395 professional standards. The charter shall ensure that reading is
396 a primary focus of the curriculum and that resources are provided
397 to identify and provide specialized instruction for students who
398 are reading below grade level. The curriculum and instructional
399 strategies for reading must be consistent with the Sunshine State
400 Standards and grounded in scientifically based reading research.

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401 3. The current incoming baseline standard of student
402 academic achievement, the outcomes to be achieved, and the method
403 of measurement that will be used. The criteria listed in this
404 subparagraph shall include a detailed description for each of the
405 following:

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

408 b. How these baseline rates will be compared to rates of
409 academic progress achieved by these same students while attending
410 the charter school.

411 c. To the extent possible, how these rates of progress will
412 be evaluated and compared with rates of progress of other closely
413 comparable student populations.

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

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

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428 5. In secondary charter schools, a method for determining
429 that a student has satisfied the requirements for graduation in
430 s. 1003.43.

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

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

435 8. The ways by which the school will achieve a
436 racial/ethnic balance reflective of the community it serves or
437 within the racial/ethnic range of other public schools in the
438 same school district.

439 9. The financial and administrative management of the
440 school, including a reasonable demonstration of the professional
441 experience or competence of those individuals or organizations
442 applying to operate the charter school or those hired or retained
443 to perform such professional services and the description of
444 clearly delineated responsibilities and the policies and
445 practices needed to effectively manage the charter school. A
446 description of internal audit procedures and establishment of
447 controls to ensure that financial resources are properly managed
448 must be included. Both public sector and private sector
449 professional experience shall be equally valid in such a
450 consideration.

451 10. The asset and liability projections required in the
452 application which are incorporated into the charter and which
453 shall be compared with information provided in the annual report
454 of the charter school. ~~The charter shall ensure that, if a~~
455 ~~charter school internal audit or annual financial audit reveals a~~
456 ~~state of financial emergency as defined in s. 218.503 or deficit~~

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457 ~~financial position, the auditors are required to notify the~~
458 ~~charter school governing board, the sponsor, and the Department~~
459 ~~of Education. The internal auditor shall report such findings in~~
460 ~~the form of an exit interview to the principal or the principal~~
461 ~~administrator of the charter school and the chair of the~~
462 ~~governing board within 7 working days after finding the state of~~
463 ~~financial emergency or deficit position. A final report shall be~~
464 ~~provided to the entire governing board, the sponsor, and the~~
465 ~~Department of Education within 14 working days after the exit~~
466 ~~interview. When a charter school is in a state of financial~~
467 ~~emergency, the charter school shall file a detailed financial~~
468 ~~recovery plan with the sponsor. The department, with the~~
469 ~~involvement of both sponsors and charter schools, shall establish~~
470 ~~guidelines for developing such plans.~~

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

479 12. The term of the charter which shall provide for
480 cancellation of the charter if insufficient progress has been
481 made in attaining the student achievement objectives of the
482 charter and if it is not likely that such objectives can be
483 achieved before expiration of the charter. The initial term of a
484 charter shall be for 4 or 5 years. In order to facilitate access
485 to long-term financial resources for charter school construction,

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486 charter schools that are operated by a municipality or other
487 public entity as provided by law are eligible for up to a 15-year
488 charter, subject to approval by the district school board. A
489 charter lab school is eligible for a charter for a term of up to
490 15 years. In addition, to facilitate access to long-term
491 financial resources for charter school construction, charter
492 schools that are operated by a private, not-for-profit, s.
493 501(c)(3) status corporation are eligible for up to a 15-year
494 charter, subject to approval by the district school board. Such
495 long-term charters remain subject to annual review and may be
496 terminated during the term of the charter, but only according to
497 the provisions set forth in subsection (8).

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

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

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

505 16. A timetable for implementing the charter which
506 addresses the implementation of each element thereof and the date
507 by which the charter shall be awarded in order to meet this
508 timetable.

509 17. In the case of an existing public school being
510 converted to charter status, alternative arrangements for current
511 students who choose not to attend the charter school and for
512 current teachers who choose not to teach in the charter school
513 after conversion in accordance with the existing collective
514 bargaining agreement or district school board rule in the absence

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515 of a collective bargaining agreement. However, alternative
516 arrangements shall not be required for current teachers who
517 choose not to teach in a charter lab school, except as authorized
518 by the employment policies of the state university which grants
519 the charter to the lab school.

520 18. Full disclosure of the identity of all relatives
521 employed by the charter school who are related to the charter
522 school owner, president, chairperson of the governing board of
523 directors, superintendent, governing board member, principal,
524 assistant principal, or any other person employed by the charter
525 school having equivalent decisionmaking authority. For the
526 purpose of this subparagraph, the term "relative" means father,
527 mother, son, daughter, brother, sister, uncle, aunt, first
528 cousin, nephew, niece, husband, wife, father-in-law, mother-in-
529 law, son-in-law, daughter-in-law, brother-in-law, sister-in-law,
530 stepfather, stepmother, stepson, stepdaughter, stepbrother,
531 stepsister, half brother, or half sister.

532 (9) CHARTER SCHOOL REQUIREMENTS.--

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

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544 (g)~~(h)~~ In order to provide financial information that is
545 comparable to that reported for other public schools, charter
546 schools are to maintain all financial records which constitute
547 their accounting system:

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

551 2. At the discretion of the charter school governing board,
552 a charter school may elect to follow generally accepted
553 accounting standards for not-for-profit organizations, but must
554 reformat this information for reporting according to this
555 paragraph.

556
557 Charter schools shall provide annual financial report and program
558 cost report information in the state-required formats for
559 inclusion in district reporting in compliance with s. 1011.60(1).
560 Charter schools that are operated by a municipality or are a
561 component unit of a parent nonprofit organization may use the
562 accounting system of the municipality or the parent but must
563 reformat this information for reporting according to this
564 paragraph. A charter school shall provide monthly financial
565 statements to the sponsor.

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

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

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

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

576 2. Reviewing and approving the audit report, including
577 audit findings and recommendations for the financial recovery
578 plan.

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

581 b. Monitoring a financial recovery plan in order to ensure
582 compliance.

583 4. Participating in governance training approved by the
584 department that must include government in the sunshine,
585 conflicts of interest, ethics, and financial responsibility.

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

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600 1. Student achievement performance data, including the
601 information required for the annual school report and the
602 education accountability system governed by ss. 1008.31 and
603 1008.345. Charter schools are subject to the same accountability
604 requirements as other public schools, including reports of
605 student achievement information that links baseline student data
606 to the school's performance projections identified in the
607 charter. The charter school shall identify reasons for any
608 difference between projected and actual student performance.

609 2. Financial status of the charter school which must
610 include revenues and expenditures at a level of detail that
611 allows for analysis of the ability to meet financial obligations
612 and timely repayment of debt.

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

616 4. Descriptive information about the charter school's
617 personnel, including salary and benefit levels of charter school
618 employees, the proportion of instructional personnel who hold
619 professional or temporary certificates, and the proportion of
620 instructional personnel teaching in-field or out-of-field.

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

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

626 (n) ~~(o)~~ The director and a representative of the governing
627 body of a charter school that has received a school grade of "D"
628 under s. 1008.34(2) shall appear before the sponsor or the

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629 sponsor's staff at least once a year to present information
630 concerning each contract component having noted deficiencies. The
631 sponsor shall communicate at the meeting, and in writing to the
632 director, the services provided to the school to help the school
633 address its deficiencies.

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

648 1. If the charter school fails to improve its student
649 performance from the year immediately prior to the implementation
650 of the school improvement plan, the sponsor shall place the
651 charter school on probation and shall require the charter school
652 governing body to take one of the following corrective actions:

653 a. Contract for the educational services of the charter
654 school;

655 b. Reorganize the school at the end of the school year
656 under a new director or principal who is authorized to hire new

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657 staff and implement a plan that addresses the causes of
658 inadequate progress; or

659 c. Reconstitute the charter school.

660 2. A charter school that is placed on probation shall
661 continue the corrective actions required under subparagraph 1.
662 until the charter school improves its student performance from
663 the year prior to the implementation of the school improvement
664 plan.

665 3. Notwithstanding any provision of this paragraph, the
666 sponsor may terminate the charter at any time pursuant to the
667 provisions of subsection (8).

668 (p) ~~(q)~~ The director and a representative of the governing
669 body of a graded charter school that has submitted a school
670 improvement plan or has been placed on probation under paragraph
671 (o) ~~(p)~~ shall appear before the sponsor or the sponsor's staff at
672 least once a year to present information regarding the corrective
673 strategies that are being implemented by the school pursuant to
674 the school improvement plan. The sponsor shall communicate at the
675 meeting, and in writing to the director, the services provided to
676 the school to help the school address its deficiencies.

677 (17) FUNDING.--Students enrolled in a charter school,
678 regardless of the sponsorship, shall be funded as if they are in
679 a basic program or a special program, the same as students
680 enrolled in other public schools in the school district. Funding
681 for a charter lab school shall be as provided in s. 1002.32. The
682 maximum number of students eligible to be funded in any classroom
683 of any charter school shall be the maximum number prescribed by
684 law.

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685 (a) Each charter school shall report its student enrollment
686 to the sponsor as required in s. 1011.62, and in accordance with
687 the definitions in s. 1011.61. The sponsor shall include each
688 charter school's enrollment in the district's report of student
689 enrollment. All charter schools submitting student record
690 information required by the Department of Education shall comply
691 with the Department of Education's guidelines for electronic data
692 formats for such data, and all districts shall accept electronic
693 data that complies with the Department of Education's electronic
694 format.

695 (b) The basis for the agreement for funding students
696 enrolled in a charter school shall be the sum of the school
697 district's operating funds from the Florida Education Finance
698 Program as provided in s. 1011.62 and the General Appropriations
699 Act, including gross state and local funds, discretionary lottery
700 funds, and funds from the school district's current operating
701 discretionary millage levy; divided by total funded weighted
702 full-time equivalent students in the school district; multiplied
703 by the weighted full-time equivalent students for the charter
704 school. Charter schools whose students or programs meet the
705 eligibility criteria in law shall be entitled to their
706 proportionate share of categorical program funds included in the
707 total funds available in the Florida Education Finance Program by
708 the Legislature, including transportation. Total funding for each
709 charter school shall be recalculated during the year to reflect
710 the revised calculations under the Florida Education Finance
711 Program by the state and the actual weighted full-time equivalent
712 students reported by the charter school during the full-time

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713 equivalent student survey periods designated by the Commissioner
714 of Education.

715 (c) If the district school board is providing programs or
716 services to students funded by federal funds, any eligible
717 students enrolled in charter schools in the school district shall
718 be provided federal funds for the same level of service provided
719 students in the schools operated by the district school board.
720 Pursuant to provisions of 20 U.S.C. 8061 s. 10306, all charter
721 schools shall receive all federal funding for which the school is
722 otherwise eligible, including Title I funding, not later than 5
723 months after the charter school first opens and within 5 months
724 after any subsequent expansion of enrollment.

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

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742 expiration of the 10 working days until such time as the warrant
743 is issued.

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

745 (a) The Department of Education shall provide information
746 to the public, directly and through sponsors, both on how to form
747 and operate a charter school and on how to enroll in charter
748 schools once they are created. This information shall include a
749 standard application format, charter format, and charter renewal
750 format which shall include the information specified in
751 subsection (7) and shall be developed by consulting and
752 negotiating with both school districts and charter schools before
753 implementation. These formats shall be used ~~as guidelines~~ by
754 charter school sponsors.

755 (b)1. The Department of Education shall report student
756 assessment data pursuant to s. 1008.34(3)(b) which is reported to
757 schools that receive a school grade pursuant to s. 1008.34 or
758 student assessment data pursuant to s. 1008.341(3) which is
759 reported to alternative schools that receive a school improvement
760 rating pursuant to s. 1008.341 to each charter school that:

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

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

765 2. The charter school shall report the information in
766 subparagraph 1. to each parent of a student at the charter
767 school, the parent of a child on a waiting list for the charter
768 school, the district in which the charter school is located, and
769 the governing board of the charter school. This paragraph does
770 not abrogate the provisions of s. 1002.22, relating to student

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771 records, and the requirements of 20 U.S.C. s. 1232g, the Family
772 Educational Rights and Privacy Act.

773 3.a. Pursuant to this paragraph, the Department of
774 Education shall compare the charter school student performance
775 data for each charter school in subparagraph 1. with the student
776 performance data in traditional public schools in the district in
777 which the charter school is located and other charter schools in
778 the state. For charter alternative charter schools, the
779 department shall compare the student performance data described
780 in this paragraph with all alternative schools in the state. The
781 comparative data shall be provided by the following grade
782 groupings:

783 (I) Grades 3 through 5;
784 (II) Grades 6 through 8; and
785 (III) Grades 9 through 11.

786 b. Each charter school shall provide the information in
787 this paragraph on its Internet website and also provide notice to
788 the public in a manner that notifies the community at large, as
789 provided by rules of the State Board of Education. The State
790 Board of Education shall adopt rules to administer the notice
791 requirements of this subparagraph pursuant to ss. 120.536(1) and
792 120.54. The website shall include, through links or actual
793 content, other information related to school performance.

794 (23) ANALYSIS OF CHARTER SCHOOL PERFORMANCE.--Upon receipt
795 of the annual report required by paragraph (9) (k) ~~(9) (1)~~, the
796 Department of Education shall provide to the State Board of
797 Education, the Commissioner of Education, the Governor, the
798 President of the Senate, and the Speaker of the House of
799 Representatives an analysis and comparison of the overall

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800 performance of charter school students, to include all students
801 whose scores are counted as part of the statewide assessment
802 program, versus comparable public school students in the district
803 as determined by the statewide assessment program currently
804 administered in the school district, and other assessments
805 administered pursuant to s. 1008.22(3).

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

807 (a) This subsection applies to charter school personnel in
808 a charter school operated by a private entity. As used in this
809 subsection, the term:

810 1. "Charter school personnel" means a charter school owner,
811 president, chairperson of the governing board of directors,
812 superintendent, governing board member, principal, assistant
813 principal, or any other person employed by the charter school
814 having equivalent decisionmaking authority and in whom is vested
815 the authority, or to whom the authority has been delegated, to
816 appoint, employ, promote, or advance individuals or to recommend
817 individuals for appointment, employment, promotion, or
818 advancement in connection with employment in a charter school,
819 including the authority as a member of a governing body of a
820 charter school to vote on the appointment, employment, promotion,
821 or advancement of individuals.

822 2. "Relative" means father, mother, son, daughter, brother,
823 sister, uncle, aunt, first cousin, nephew, niece, husband, wife,
824 father-in-law, mother-in-law, son-in-law, daughter-in-law,
825 brother-in-law, sister-in-law, stepfather, stepmother, stepson,
826 stepdaughter, stepbrother, stepsister, half brother, or half
827 sister.

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828 (b) Charter school personnel may not appoint, employ,
829 promote, or advance, or advocate for appointment, employment,
830 promotion, or advancement, in or to a position in the charter
831 school in which the personnel are serving or over which the
832 personnel exercises jurisdiction or control any individual who is
833 a relative. An individual may not be appointed, employed,
834 promoted, or advanced in or to a position in a charter school if
835 such appointment, employment, promotion, or advancement has been
836 advocated by charter school personnel who serve in or exercise
837 jurisdiction or control over the charter school and who is a
838 relative of the individual or if such appointment, employment,
839 promotion, or advancement is made by the governing board of which
840 a relative of the individual is a member.

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

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

846 (a) A member of a governing board of a charter school,
847 including a charter school operated by a private entity, is
848 subject to the provisions of ss. 112.313(2), (3), (7), and (12)
849 and 112.3143(3).

850 (b) A member of a governing board of a charter school
851 operated by a municipality or other public entity is subject to
852 the provisions of s. 112.3144, relating to the disclosure of
853 financial interests.

854 Section 7. Subsection (5), paragraph (a) of subsection (7),
855 paragraph (a) of subsection (11), and subsection (12) of section
856 1002.335, Florida Statutes, are amended to read:

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857 1002.335 Florida Schools of Excellence Commission.--

858 (5) CHARTERING AUTHORITY.--

859 (a) A charter school applicant may submit an application to
860 the commission only if the school district in which the FSE
861 charter school is to be located has not retained exclusive
862 authority to authorize charter schools as provided in paragraph
863 (e). If a district school board has not retained exclusive
864 authority to authorize charter schools as provided in paragraph
865 (e), the district school board and the commission shall have
866 concurrent authority to authorize charter schools and FSE charter
867 schools, respectively, to be located within the geographic
868 boundaries of the school district. The district school board
869 shall monitor and oversee all charter schools authorized by the
870 district school board pursuant to s. 1002.33. The commission
871 shall monitor and oversee all FSE charter schools sponsored by
872 the commission pursuant to subsection (4).

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

879 (c) For fiscal year 2007-2008 and for each fiscal year
880 thereafter, a district school board may seek ~~to retain~~ exclusive
881 authority to authorize charter schools within the geographic
882 boundaries of the school district by presenting to the State
883 Board of Education, on or before March 1 of the fiscal year prior
884 to that for which the exclusive authority is to apply, a written
885 resolution adopted by the district school board indicating the

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886 intent to seek ~~retain~~ exclusive authority to authorize charter
887 schools. A district school board may seek ~~to retain~~ the exclusive
888 authority to authorize charter schools by presenting to the state
889 board the written resolution on or before a date 60 days after
890 establishment of the commission. The written resolution shall be
891 accompanied by a written description addressing the elements
892 described in paragraph (e). The district school board shall
893 provide a complete copy of the resolution, including the
894 description, to each charter school authorized by the district
895 school board on or before the date it submits the resolution to
896 the state board.

897 (d) A party may challenge the grant of exclusive authority
898 made by the State Board of Education pursuant to paragraph (e) by
899 filing with the state board a notice of challenge within 30 days
900 after the state board grants initial exclusive authority. The
901 notice shall be accompanied by a specific written description of
902 the basis for the challenge. The challenging party, at the time
903 of filing notice with the state board, shall provide a copy of
904 the notice of challenge to the district school board that has
905 been granted exclusive authority. The state board shall permit
906 the district school board the opportunity to appear and respond
907 in writing to the challenge. The state board shall make a
908 determination upon the challenge within 60 days after receiving
909 the notice of challenge.

910 (e) The State Board of Education shall grant to a district
911 school board exclusive authority to authorize charter schools
912 within the geographic boundaries of the school district if the
913 state board determines, after adequate notice, in a public
914 hearing, and after receiving input from any charter school

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915 | authorized by the district school board, that the district school
916 | board has provided fair and equitable treatment to its charter
917 | schools during the 4 years prior to the district school board's
918 | submission of the resolution described in paragraph (c). The
919 | state board's review of the resolution shall, at a minimum,
920 | include consideration of the following:

- 921 | 1. Compliance with the provisions of s. 1002.33.
- 922 | 2. Compliance with full and accurate accounting practices
923 | and charges for central administrative overhead costs.
- 924 | 3. Compliance with requirements allowing a charter school,
925 | at its discretion, to purchase certain services or a combination
926 | of services at actual cost to the district.
- 927 | 4. The absence of a district school board moratorium
928 | regarding charter schools or the absence of any districtwide
929 | charter school enrollment limits.
- 930 | 5. Compliance with valid orders of the state board.
- 931 | 6. The provision of assistance to charter schools to meet
932 | their facilities needs by including those needs in local bond
933 | issues or otherwise providing available land and facilities that
934 | are comparable to those provided to other public school students
935 | in the same grade levels within the school district.
- 936 | 7. The distribution to charter schools authorized by the
937 | district school board of a pro rata share of federal and state
938 | grants received by the district school board, except for any
939 | grant received for a particular purpose which, by its express
940 | terms, is intended to benefit a student population not able to be
941 | served by, or a program not able to be offered at, a charter
942 | school that did not receive a proportionate share of such grant
943 | proceeds.

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944 8. The provision of adequate staff and other resources to
945 serve charter schools authorized by the district school board,
946 which services are provided by the district school board at a
947 cost to the charter schools that does not exceed their actual
948 cost to the district school board.

949 9. The lack of a policy or practice of imposing individual
950 charter school enrollment limits, except as otherwise provided by
951 law.

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

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

961 (g) For district school boards that have no discernible
962 history of authorizing charter schools, the State Board of
963 Education may not grant exclusive authority unless the district
964 school board demonstrates that no approvable application has come
965 before the district school board.

966 (h)1. A grant of exclusive authority by the State Board of
967 Education shall continue so long as a district school board
968 continues to comply with this section ~~and has presented a written~~
969 ~~resolution to the state board as set forth in paragraph (c).~~ A
970 presumption exists that a district school board that has been
971 granted exclusive authority has continued to provide fair and
972 equitable treatment of the charter schools in its district.

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973 2. A charter school authorized by a district school board
974 within the previous 4 years may challenge the presumption that
975 the district school board continues to provide fair and equitable
976 treatment of the charter schools in its district by filing a
977 request for a hearing between January 1 and January 31 of any
978 year. The request for a hearing shall state with specificity the
979 basis for the challenge and must include a statement certifying
980 that a copy of the request was provided to the district school
981 board. If a legally sufficient challenge is filed, the
982 Commissioner of Education shall designate a hearing officer and
983 refer the matter to the hearing officer for the conduct of an
984 informal proceeding. The hearing officer shall provide findings
985 of fact and conclusions of law to the Commissioner of Education
986 in the form of a recommended order to the State Board of
987 Education. The State Board of Education shall enter a final order
988 prior to June 30 determining whether the district school board
989 continues to provide fair and equitable treatment to the charter
990 schools in its district.

991 (i) Notwithstanding any other provision of this section to
992 the contrary, a district school board may permit the
993 establishment of one or more FSE charter schools within the
994 geographic boundaries of the school district by adopting a
995 favorable resolution and submitting the resolution to the State
996 Board of Education. The resolution shall be effective until it is
997 rescinded by resolution of the district school board.

998 (7) COSPONSOR AGREEMENT.--

999 (a) Upon approval of a cosponsor, the commission and the
1000 cosponsor shall enter into an agreement that defines the
1001 cosponsor's rights and obligations and includes the following:

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1002 1. An explanation of the personnel, contractual and
1003 interagency relationships, and potential revenue sources
1004 referenced in the application as required in paragraph (6) (c).

1005 2. Incorporation of the requirements of equal access for
1006 all students, including any plans to provide food service or
1007 transportation reasonably necessary to provide access to as many
1008 students as possible.

1009 3. Incorporation of the requirement to serve low-income,
1010 low-performing, gifted, or underserved student populations.

1011 4. An explanation of the academic and financial goals and
1012 expected outcomes for the cosponsor's charter schools and the
1013 method and plans by which they will be measured and achieved as
1014 referenced in the application.

1015 5. The conflict-of-interest policies referenced in the
1016 application.

1017 6. An explanation of the disposition of facilities and
1018 assets upon termination and dissolution of a charter school
1019 approved by the cosponsor.

1020 7.a. A provision requiring the cosponsor to annually appear
1021 before the commission and provide a report as to the information
1022 provided pursuant to s. 1002.33(9)(k) ~~s. 1002.33(9)(1)~~ for each
1023 of its charter schools.

1024 b. A provision requiring the cosponsor to perform the
1025 duties provided for in s. 1002.345.

1026 c. A provision requiring the governing board to perform the
1027 duties provided for in s. 1002.345, including monitoring the
1028 corrective action plan.

1029 8. A provision requiring that the cosponsor report the
1030 student enrollment in each of its sponsored charter schools to

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1031 | the district school board of the county in which the school is
1032 | located.

1033 | 9. A provision requiring that the cosponsor work with the
1034 | commission to provide the necessary reports to the State Board of
1035 | Education.

1036 | 10. Any other reasonable terms deemed appropriate by the
1037 | commission given the unique characteristics of the cosponsor.

1038 | (11) APPLICATION OF CHARTER SCHOOL STATUTE.--

1039 | (a) The provisions of s. 1002.33(7)-(12), (14), ~~and~~ (16)-
1040 | (19), (21)(b), (24), and (25) ~~shall~~ apply to the commission and
1041 | the cosponsors and charter schools approved pursuant to this
1042 | section.

1043 | (12) ACCESS TO INFORMATION.--The commission shall provide
1044 | maximum access to information to all parents in the state. It
1045 | shall maintain information systems, including, but not limited
1046 | to, a user-friendly Internet website, that will provide
1047 | information and data necessary for parents to make informed
1048 | decisions, including a link to the information provided in s.
1049 | 1002.33(21)(b)3.b. At a minimum, the commission must provide
1050 | parents with information on its accountability standards, links
1051 | to schools of excellence throughout the state, and public
1052 | education programs available in the state.

1053 | Section 8. Subsections (4) and (5), paragraphs (d) and (f)
1054 | of subsection (6), paragraph (c) of subsection (10), subsection
1055 | (13) of section 1002.34, Florida Statutes, are amended to read:

1056 | 1002.34 Charter technical career centers.--

1057 | (4) CHARTER.--A sponsor may designate centers as provided
1058 | in this section. An application to establish a center may be
1059 | submitted by a sponsor or another organization that is

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1060 | determined, by rule of the State Board of Education, to be
1061 | appropriate. However, an independent school is not eligible for
1062 | status as a center. The charter must be signed by the governing
1063 | body of the center and the sponsor, and must be approved by the
1064 | district school board and community college board of trustees in
1065 | whose geographic region the facility is located. If a charter
1066 | technical career center is established by the conversion to
1067 | charter status of a public technical center formerly governed by
1068 | a district school board, the charter status of that center takes
1069 | precedence in any question of governance. The governance of the
1070 | center or of any program within the center remains with its board
1071 | of directors unless the board agrees to a change in governance or
1072 | its charter is revoked as provided in subsection (15). Such a
1073 | conversion charter technical career center is not affected by a
1074 | change in the governance of public technical centers or of
1075 | programs within other centers that are or have been governed by
1076 | district school boards. A charter technical career center, or any
1077 | program within such a center, that was governed by a district
1078 | school board and transferred to a community college prior to the
1079 | effective date of this act is not affected by this provision. An
1080 | applicant who wishes to establish a center must submit to the
1081 | district school board or community college board of trustees, or
1082 | a consortium of one or more of each, an application on a form
1083 | developed by the Department of Education which ~~that~~ includes:
1084 | (a) The name of the proposed center.
1085 | (b) The proposed structure of the center, including a list
1086 | of proposed members of the board of directors or a description of
1087 | the qualifications for and method of their appointment or
1088 | election.

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1089 (c) The workforce development goals of the center, the
1090 curriculum to be offered, and the outcomes and the methods of
1091 assessing the extent to which the outcomes are met.

1092 (d) The admissions policy and criteria for evaluating the
1093 admission of students.

1094 (e) A description of the staff responsibilities and the
1095 proposed qualifications of the teaching staff.

1096 (f) A description of the procedures to be implemented to
1097 ensure significant involvement of representatives of business and
1098 industry in the operation of the center.

1099 (g) A method for determining whether a student has
1100 satisfied the requirements for graduation specified in s. 1003.43
1101 and for completion of a postsecondary certificate or degree.

1102 (h) A method for granting secondary and postsecondary
1103 diplomas, certificates, and degrees.

1104 (i) A description of and address for the physical facility
1105 in which the center will be located.

1106 (j) A method of resolving conflicts between the governing
1107 body of the center and the sponsor and between consortium
1108 members, if applicable.

1109 (k) A method for reporting student data as required by law
1110 and rule.

1111 (l) A statement that the applicant has participated in the
1112 training provided by the Department of Education.

1113 (m) The identity of all relatives employed by the charter
1114 technical career center who are related to the center owner,
1115 president, chairperson of the governing board of directors,
1116 superintendent, governing board member, principal, assistant
1117 principal, or any other person employed by the center who has

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1118 equivalent decisionmaking authority. As used in this paragraph,
1119 the term "relative" means father, mother, son, daughter, brother,
1120 sister, uncle, aunt, first cousin, nephew, niece, husband, wife,
1121 father-in-law, mother-in-law, son-in-law, daughter-in-law,
1122 brother-in-law, sister-in-law, stepfather, stepmother, stepson,
1123 stepdaughter, stepbrother, stepsister, half brother, or half
1124 sister.

1125 (m)~~(l)~~ Other information required by the district school
1126 board or community college board of trustees.

1127
1128 Students at a center must meet the same testing and academic
1129 performance standards as those established by law and rule for
1130 students at public schools and public technical centers. The
1131 students must also meet any additional assessment indicators that
1132 are included within the charter approved by the district school
1133 board or community college board of trustees.

1134 (5) APPLICATION.--An application to establish a center must
1135 be submitted by February 1 of the year preceding the school year
1136 in which the center will begin operation. The sponsor must review
1137 the application using an evaluation instrument developed by the
1138 Department of Education and make a final decision on whether to
1139 approve the application and grant the charter by March 1, and may
1140 condition the granting of a charter on the center's taking
1141 certain actions or maintaining certain conditions. Such actions
1142 and conditions must be provided to the applicant in writing. The
1143 district school board or community college board of trustees is
1144 not required to issue a charter to any person.

1145 (6) SPONSOR.--A district school board or community college
1146 board of trustees or a consortium of one or more of each may

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1147 sponsor a center in the county in which the board has
1148 jurisdiction.

1149 (d)1. The Department of Education shall offer or arrange
1150 for training and technical assistance to applicants in developing
1151 business plans and estimating costs and income. This assistance
1152 shall address estimating startup costs, projecting enrollment,
1153 and identifying the types and amounts of state and federal
1154 financial assistance the center will be eligible to receive. The
1155 training shall include instruction in accurate financial planning
1156 and good business practices.

1157 2. An applicant must participate in the training provided
1158 by the Department of Education prior to filing an application.
1159 The Department of Education may provide technical assistance to
1160 an applicant upon written request.

1161 (f) The sponsor shall monitor and review the center's
1162 progress toward charter goals and shall monitor the center's
1163 revenues and expenditures. The sponsor shall perform the duties
1164 provided for in s. 1002.345.

1165 (10) EXEMPTION FROM STATUTES.--

1166 (c) A center must comply with the antidiscrimination
1167 provisions of s. 1000.05 and the provisions of s. 1002.33(24),
1168 relating to the employment of relatives.

1169 (13) BOARD OF DIRECTORS AUTHORITY.--The board of directors
1170 of a center may decide matters relating to the operation of the
1171 school, including budgeting, curriculum, and operating
1172 procedures, subject to the center's charter. The board of
1173 directors is responsible for performing the duties provided for
1174 in s. 1002.345, including monitoring the corrective action plan.

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1175 The board of directors must comply with the provisions of s.
1176 1002.33(25).

1177 Section 9. Section 1002.345, Florida Statutes, is created
1178 to read:

1179 1002.345 Determination of financial weaknesses and
1180 financial emergencies for charter schools and charter technical
1181 career centers.--This section applies to charter schools
1182 operating pursuant to ss. 1002.33 and 1002.335, and to charter
1183 technical career centers operating pursuant to s. 1002.34.

1184 (1) FINANCIAL WEAKNESS; REQUIREMENTS.--

1185 (a) A charter school and a charter technical career center
1186 shall be subject to an expedited review by the sponsor when any
1187 one of the following conditions occurs:

1188 1. An end-of-year financial deficit.

1189 2. A substantial decline in student enrollment without a
1190 commensurate reduction in expenses.

1191 3. Insufficient revenues to pay current operating expenses.

1192 4. Insufficient revenues to pay long-term expenses.

1193 5. Disproportionate administrative expenses.

1194 6. Excessive debt.

1195 7. Excessive expenditures.

1196 8. Inadequate fund balances or reserves.

1197 9. Failure to meet financial reporting requirements

1198 pursuant to s. 1002.33(9), s. 1002.335(7)(a)7., or s.

1199 1002.34(14).

1200 10. Weak financial controls or other adverse financial
1201 conditions identified through an internal audit or annual audit
1202 conducted pursuant to s. 218.39.

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1203 11. Negative financial findings cited in reports by the
1204 Auditor General or the Office of Program Policy Analysis and
1205 Government Accountability.

1206 (b) A sponsor shall notify the governing board within 7
1207 working days when one or more of the conditions specified in
1208 paragraph (a) occur.

1209 (c) The governing board and the sponsor shall develop a
1210 corrective action plan and file the plan with the Commissioner of
1211 Education and the Florida Schools of Excellence Commission within
1212 30 working days. If the governing board and the sponsor are
1213 unable to agree on a corrective action plan, the State Board of
1214 Education shall determine the components of the plan. The
1215 governing board shall implement the plan.

1216 (d) The governing board shall include the corrective action
1217 plan and the status of its implementation in the annual progress
1218 report to the sponsor that is required under s. 1002.33(9)(k), s.
1219 1002.335(7)(a)7., or s. 1002.34(14).

1220 (e) If the governing board fails to implement the
1221 corrective action plan within 1 year, the State Board of
1222 Education shall prescribe any steps necessary for the charter
1223 school or the charter technical career center to comply with
1224 state requirements.

1225 (f) The chair of the governing board shall annually appear
1226 before the State Board of Education and report on the
1227 implementation of the State Board of Education's requirements.

1228 (2) FINANCIAL EMERGENCY; DEFICIT FUND BALANCE; DEFICIT NET
1229 ASSETS; REQUIREMENTS.--

1230 (a) A charter school and a charter technical career center
1231 shall provide for a certified public accountant or auditor to

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1232 conduct an annual financial audit in accordance with s. 218.39.

1233 (b) The charter shall ensure that, if an internal audit or
1234 annual financial audit of a charter school or charter technical
1235 career center reveals one or more of the conditions in s.
1236 218.503(1) have occurred or will occur if action is not taken or
1237 if a charter school or charter technical career center has a
1238 deficit fund balance or deficit net assets, the auditor must
1239 notify the governing board of the charter school or charter
1240 technical career center, as appropriate, the sponsor, and the
1241 Commissioner of Education.

1242 (c) When a financial audit conducted by a certified public
1243 accountant or auditor in accordance with s. 218.39 reveals that
1244 one or more of the conditions in s. 218.503(1) have occurred or
1245 will occur if action is not taken or when a deficit fund balance
1246 or deficit net assets exist, the auditor shall notify and provide
1247 the financial audit to the governing board of the charter school
1248 or charter technical career center, as appropriate, the sponsor,
1249 and the Commissioner of Education within 7 working days after the
1250 finding is made.

1251 1. The internal auditor shall:

1252 a. Report the findings in the form of an exit interview
1253 with the principal or the principal administrator of the charter
1254 school or the director of the charter technical career center, as
1255 appropriate, and the chair of the governing board within 7
1256 working days after the finding is made.

1257 b. Provide a final report to all members of the governing
1258 board, the sponsor, and the Department of Education within 14
1259 working days after the exit interview.

1260 2. When the charter school or charter technical career

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1261 center is found to be in a state of financial emergency pursuant
1262 to s. 218.503(4), the charter school or charter technical career
1263 center shall file a detailed financial recovery plan as provided
1264 for in s. 218.503 with the sponsor within 30 days after being
1265 notified by the Commissioner of Education that a financial
1266 recovery plan is needed.

1267 (d) The sponsor shall file a copy of the financial recovery
1268 plan with the Commissioner of Education and the Florida Schools
1269 of Excellence Commission.

1270 (e) The governing board shall include the financial
1271 recovery plan and the status of its implementation in the annual
1272 progress report to the sponsor which is required under s.
1273 1002.33(9)(k), s. 1002.335(7)(a)7., or s. 1002.34(14).

1274 (3) REPORT.--The Commissioner of Education shall annually
1275 report to the State Board of Education each charter school and
1276 charter technical career center that is subject to a financial
1277 recovery plan or a corrective action plan under this section.

1278 (4) RULES.--The State Board of Education shall adopt rules
1279 pursuant to ss. 120.536(1) and 120.54 for developing financial
1280 recovery and corrective action plans.

1281 (5) TECHNICAL ASSISTANCE.--The Department of Education
1282 shall provide technical assistance to charter schools, charter
1283 technical career centers, governing boards, and sponsors in
1284 developing financial recovery and corrective action plans.

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

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1289 exhibits one or more financial emergency conditions as provided
1290 in s. 218.503 for 2 consecutive years.

1291 Section 10. This act shall take effect July 1, 2008.