

By the Committees on Education Pre-K - 12 Appropriations;  
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 that the immediate termination of a  
23          charter is exempt from requirements for an informal  
24          hearing or for a hearing under ch. 120, F.S.; providing  
25          for a limitation on funding; providing for the disclosure  
26          of the performance of charter schools that are not given a  
27          school grade or school improvement rating; revising the  
28          requirements for providing information to the public on  
29          how to form and operate a charter school; providing

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30 reporting requirements; providing restrictions for the  
31 employment of relatives by charter school personnel;  
32 providing that members of a charter school governing board  
33 are subject to certain standards of conduct specified in  
34 ss. 112.313 and 112.3143, F.S.; amending s. 1002.335,  
35 F.S.; eliminating the requirement for district school  
36 boards to annually seek continued exclusivity from the  
37 State Board of Education; providing for challenges to the  
38 exclusivity of district school boards; providing a  
39 presumption for district school boards that are granted  
40 exclusivity; providing for informal hearings; specifying  
41 additional components of cosponsor agreements; amending s.  
42 1002.34, F.S.; providing additional duties for charter  
43 technical career centers, applicants, sponsors, and  
44 governing boards; requiring the Department of Education to  
45 offer or arrange training and assistance to applicants for  
46 a charter technical career center; requiring that an  
47 applicant participate in the training; creating s.  
48 1002.345, F.S.; establishing criteria and requirements for  
49 charter schools and charter technical career centers that  
50 have financial weaknesses or are in a state of financial  
51 emergency; establishing requirements for charter schools,  
52 charter technical career centers, governing bodies, and  
53 sponsors; requiring financial audits of charter schools  
54 and charter technical career centers; providing for  
55 corrective action and financial recovery plans; providing  
56 for duties of auditors, the Commissioner of Education, and  
57 the Department of Education; requiring the State Board of  
58 Education to adopt rules; providing grounds for

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59 termination or nonrenewal of a charter; providing an  
60 effective date.

61  
62 Be It Enacted by the Legislature of the State of Florida:

63  
64 Section 1. Paragraph (e) of subsection (7) and subsection  
65 (8) of section 11.45, Florida Statutes, are amended to read:

66 11.45 Definitions; duties; authorities; reports; rules.--

67 (7) AUDITOR GENERAL REPORTING REQUIREMENTS.--

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

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88 conditions specified in s. 218.503, he or she shall notify the  
89 Governor or the Commissioner of Education, as appropriate, and  
90 the Legislative Auditing Committee.

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

103 Section 2. Section 218.50, Florida Statutes, is amended to  
104 read:

105 218.50 Short title.--Sections 218.50-218.504 may be cited  
106 as the "Local Governmental Entity, Charter School, Charter  
107 Technical Career Center, and District School Board Financial  
108 Emergencies Act."

109 Section 3. Section 218.501, Florida Statutes, is amended to  
110 read:

111 218.501 Purposes.--The purposes of ss. 218.50-218.504 are:

112 (1) To promote the fiscal responsibility of local  
113 governmental entities, charter schools, charter technical career  
114 centers, and district school boards.

115 (2) To assist local governmental entities, charter schools,  
116 charter technical career centers, and district school boards in

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117 providing essential services without interruption and in meeting  
118 their financial obligations.

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

122 Section 4. Subsections (1), (2), and (4) of section  
123 218.503, Florida Statutes, are amended to read:

124 218.503 Determination of financial emergency.--

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

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

134 (b) Failure to pay uncontested claims from creditors within  
135 90 days after the claim is presented, as a result of a lack of  
136 funds.

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

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

140 2. Employer and employee contributions for:

141 a. Federal social security; or

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

143 (d) Failure for one pay period to pay, due to lack of  
144 funds:

145 1. Wages and salaries owed to employees; or

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146 2. Retirement benefits owed to former employees.

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

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

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175 governmental entity, charter school, charter school technical  
176 career center, or district school board, notify the Governor,  
177 charter school sponsor, charter school technical career center  
178 sponsor, or the Commissioner of Education, as appropriate, and  
179 the Legislative Auditing Committee.

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

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

202 (c) The Commissioner of Education shall determine if the  
203 charter school or charter technical career center needs a

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204 financial recovery plan to resolve the condition. If the  
205 Commissioner of Education determines that a financial recovery  
206 plan is needed, the charter school or charter technical career  
207 center is considered to be in a state of financial emergency.

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

212 Section 5. Section 218.504, Florida Statutes, is amended to  
213 read:

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

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

222 (a) Has established and is operating an effective financial  
223 accounting and reporting system.

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

225 (2) None of the conditions outlined in s. 218.503(1)  
226 exists.

227 Section 6. Paragraph (b) of subsection (5), paragraphs (a),  
228 (b), and (g) of subsection (6), paragraph (a) of subsection (7),  
229 paragraph (d) of subsection (8), paragraphs (g) through (q) of  
230 subsection (9), and subsections (17), (21), and (23) of section  
231 1002.33, Florida Statutes, are amended, present subsection (24)  
232 of that section is redesignated as subsection (26), and a new



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233 subsection (24) and subsection (25) are added to that section, to  
234 read:

235 1002.33 Charter schools.--

236 (5) SPONSOR; DUTIES.--

237 (b) Sponsor duties.--

238 1.a. The sponsor shall monitor and review the charter  
239 school in its progress toward the goals established in the  
240 charter.

241 b. The sponsor shall monitor the revenues and expenditures  
242 of the charter school and perform the duties provided for in s.  
243 1002.345.

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

248 d. The sponsor's policies shall not apply to a charter  
249 school unless mutually agreed to by both the sponsor and the  
250 charter school.

251 e. The sponsor shall ensure that the charter is innovative  
252 and consistent with the state education goals established by s.  
253 1000.03(5).

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

259 g. The sponsor shall not be liable for civil damages under  
260 state law for personal injury, property damage, or death

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261 resulting from an act or omission of an officer, employee, agent,  
262 or governing body of the charter school.

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

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

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

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

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

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

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

291 (a) A person or entity wishing to open a charter school  
292 shall prepare and submit an application on a model application  
293 form prepared by the Department of Education, in conjunction with  
294 the Florida Schools of Excellence Commission, which ~~that~~:

295 1. Demonstrates how the school will use the guiding  
296 principles and meet the statutorily defined purpose of a charter  
297 school.

298 2. Provides a detailed curriculum plan that illustrates how  
299 students will be provided services to attain the Sunshine State  
300 Standards.

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

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

313 5. Contains an annual financial plan for each year  
314 requested by the charter for operation of the school for up to 5  
315 years. This plan must contain anticipated fund balances based on  
316 revenue projections, a spending plan based on projected revenues

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317 and expenses, and a description of controls that will safeguard  
318 finances and projected enrollment trends.

319 6. Documents that the applicant has participated in the  
320 training required in subparagraph (g)2. A sponsor may require an  
321 applicant to provide additional information as an addendum to the  
322 charter school application as described in this paragraph.

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

338 1. In order to facilitate an accurate budget projection  
339 process, a sponsor shall be held harmless for FTE students who  
340 are not included in the FTE projection due to approval of charter  
341 school applications after the FTE projection deadline. In a  
342 further effort to facilitate an accurate budget projection,  
343 within 15 calendar days after receipt of a charter school  
344 application, a sponsor shall report to the Department of

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345 Education the name of the applicant entity, the proposed charter  
346 school location, and its projected FTE.

347 2. In order to ensure fiscal responsibility, an application  
348 for a charter school shall include a full accounting of expected  
349 assets, a projection of expected sources and amounts of income,  
350 including income derived from projected student enrollments and  
351 from community support, and an expense projection that includes  
352 full accounting of the costs of operation, including start-up  
353 costs.

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

367 4. For budget projection purposes, the sponsor shall report  
368 to the Department of Education the approval or denial of a  
369 charter application within 10 calendar days after such approval  
370 or denial. In the event of approval, the report to the Department  
371 of Education shall include the final projected FTE for the  
372 approved charter school.

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

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

385 2. A charter school applicant must participate in the  
386 training provided by the Department of Education prior to filing  
387 an application. However, a sponsor may require the charter school  
388 applicant to attend training provided by the sponsor in lieu of  
389 the department's training if the sponsor's training standards  
390 meet or exceed the standards developed by the Department of  
391 Education. The training shall include instruction in accurate  
392 financial planning and good business practices. In addition to  
393 the applicant, if the applicant is a management company or other  
394 nonprofit organization, the charter school principal and the  
395 chief financial officer must also participate in the training.

396 (7) CHARTER.--The major issues involving the operation of a  
397 charter school shall be considered in advance and written into  
398 the charter. The charter shall be signed by the governing body of  
399 the charter school and the sponsor, following a public hearing to  
400 ensure community input.

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

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

405 2. The focus of the curriculum, the instructional methods  
406 to be used, any distinctive instructional techniques to be  
407 employed, and identification and acquisition of appropriate  
408 technologies needed to improve educational and administrative  
409 performance which include a means for promoting safe, ethical,  
410 and appropriate uses of technology which comply with legal and  
411 professional standards. The charter shall ensure that reading is  
412 a primary focus of the curriculum and that resources are provided  
413 to identify and provide specialized instruction for students who  
414 are reading below grade level. The curriculum and instructional  
415 strategies for reading must be consistent with the Sunshine State  
416 Standards and grounded in scientifically based reading research.

417 3. The current incoming baseline standard of student  
418 academic achievement, the outcomes to be achieved, and the method  
419 of measurement that will be used. The criteria listed in this  
420 subparagraph shall include a detailed description for each of the  
421 following:

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

424 b. How these baseline rates will be compared to rates of  
425 academic progress achieved by these same students while attending  
426 the charter school.

427 c. To the extent possible, how these rates of progress will  
428 be evaluated and compared with rates of progress of other closely  
429 comparable student populations.

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430 The district school board is required to provide academic student  
431 performance data to charter schools for each of their students  
432 coming from the district school system, as well as rates of  
433 academic progress of comparable student populations in the  
434 district school system.

435 4. The methods used to identify the educational strengths  
436 and needs of students and how well educational goals and  
437 performance standards are met by students attending the charter  
438 school. Included in the methods is a means for the charter school  
439 to ensure accountability to its constituents by analyzing student  
440 performance data and by evaluating the effectiveness and  
441 efficiency of its major educational programs. Students in charter  
442 schools shall, at a minimum, participate in the statewide  
443 assessment program created under s. 1008.22.

444 5. In secondary charter schools, a method for determining  
445 that a student has satisfied the requirements for graduation in  
446 s. 1003.43.

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

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

451 8. The ways by which the school will achieve a  
452 racial/ethnic balance reflective of the community it serves or  
453 within the racial/ethnic range of other public schools in the  
454 same school district.

455 9. The financial and administrative management of the  
456 school, including a reasonable demonstration of the professional  
457 experience or competence of those individuals or organizations  
458 applying to operate the charter school or those hired or retained



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459 | to perform such professional services and the description of  
460 | clearly delineated responsibilities and the policies and  
461 | practices needed to effectively manage the charter school. A  
462 | description of internal audit procedures and establishment of  
463 | controls to ensure that financial resources are properly managed  
464 | must be included. Both public sector and private sector  
465 | professional experience shall be equally valid in such a  
466 | consideration.

467 |       10. The asset and liability projections required in the  
468 | application which are incorporated into the charter and which  
469 | shall be compared with information provided in the annual report  
470 | of the charter school. ~~The charter shall ensure that, if a~~  
471 | ~~charter school internal audit or annual financial audit reveals a~~  
472 | ~~state of financial emergency as defined in s. 218.503 or deficit~~  
473 | ~~financial position, the auditors are required to notify the~~  
474 | ~~charter school governing board, the sponsor, and the Department~~  
475 | ~~of Education. The internal auditor shall report such findings in~~  
476 | ~~the form of an exit interview to the principal or the principal~~  
477 | ~~administrator of the charter school and the chair of the~~  
478 | ~~governing board within 7 working days after finding the state of~~  
479 | ~~financial emergency or deficit position. A final report shall be~~  
480 | ~~provided to the entire governing board, the sponsor, and the~~  
481 | ~~Department of Education within 14 working days after the exit~~  
482 | ~~interview. When a charter school is in a state of financial~~  
483 | ~~emergency, the charter school shall file a detailed financial~~  
484 | ~~recovery plan with the sponsor. The department, with the~~  
485 | ~~involvement of both sponsors and charter schools, shall establish~~  
486 | ~~guidelines for developing such plans.~~

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487           11. A description of procedures that identify various risks  
488 and provide for a comprehensive approach to reduce the impact of  
489 losses; plans to ensure the safety and security of students and  
490 staff; plans to identify, minimize, and protect others from  
491 violent or disruptive student behavior; and the manner in which  
492 the school will be insured, including whether or not the school  
493 will be required to have liability insurance, and, if so, the  
494 terms and conditions thereof and the amounts of coverage.

495           12. The term of the charter which shall provide for  
496 cancellation of the charter if insufficient progress has been  
497 made in attaining the student achievement objectives of the  
498 charter and if it is not likely that such objectives can be  
499 achieved before expiration of the charter. The initial term of a  
500 charter shall be for 4 or 5 years. In order to facilitate access  
501 to long-term financial resources for charter school construction,  
502 charter schools that are operated by a municipality or other  
503 public entity as provided by law are eligible for up to a 15-year  
504 charter, subject to approval by the district school board. A  
505 charter lab school is eligible for a charter for a term of up to  
506 15 years. In addition, to facilitate access to long-term  
507 financial resources for charter school construction, charter  
508 schools that are operated by a private, not-for-profit, s.  
509 501(c) (3) status corporation are eligible for up to a 15-year  
510 charter, subject to approval by the district school board. Such  
511 long-term charters remain subject to annual review and may be  
512 terminated during the term of the charter, but only according to  
513 the provisions set forth in subsection (8).

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

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

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

521 16. A timetable for implementing the charter which  
522 addresses the implementation of each element thereof and the date  
523 by which the charter shall be awarded in order to meet this  
524 timetable.

525 17. In the case of an existing public school being  
526 converted to charter status, alternative arrangements for current  
527 students who choose not to attend the charter school and for  
528 current teachers who choose not to teach in the charter school  
529 after conversion in accordance with the existing collective  
530 bargaining agreement or district school board rule in the absence  
531 of a collective bargaining agreement. However, alternative  
532 arrangements shall not be required for current teachers who  
533 choose not to teach in a charter lab school, except as authorized  
534 by the employment policies of the state university which grants  
535 the charter to the lab school.

536 18. Full disclosure of the identity of all relatives  
537 employed by the charter school who are related to the charter  
538 school owner, president, chairperson of the governing board of  
539 directors, superintendent, governing board member, principal,  
540 assistant principal, or any other person employed by the charter  
541 school having equivalent decisionmaking authority. For the  
542 purpose of this subparagraph, the term "relative" means father,  
543 mother, son, daughter, brother, sister, uncle, aunt, first

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544 cousin, nephew, niece, husband, wife, father-in-law, mother-in-  
545 law, son-in-law, daughter-in-law, brother-in-law, sister-in-law,  
546 stepfather, stepmother, stepson, stepdaughter, stepbrother,  
547 stepsister, half brother, or half sister.

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

549 (d) A charter may be terminated immediately if the sponsor  
550 determines that good cause has been shown or if the health,  
551 safety, or welfare of the students is threatened. The sponsor's  
552 determination is not subject to an informal hearing under  
553 paragraph (b) or pursuant to chapter 120. The sponsor shall  
554 notify in writing the charter school's governing body, the  
555 charter school principal, and the department if a charter is  
556 immediately terminated. The sponsor shall clearly identify the  
557 specific issues that resulted in the immediate termination and  
558 provide evidence of prior notification of issues resulting in the  
559 immediate termination when appropriate. The school district in  
560 which the charter school is located shall assume operation of the  
561 school under these circumstances. The charter school's governing  
562 board may, within 30 days after receiving the sponsor's decision  
563 to terminate the charter, appeal the decision pursuant to the  
564 procedure established in subsection (6).

565 (9) CHARTER SCHOOL REQUIREMENTS.--

566 ~~(g) A charter school shall provide for an annual financial~~  
567 ~~audit in accordance with s. 218.39. Financial audits that reveal~~  
568 ~~a state of financial emergency as defined in s. 218.503 and are~~  
569 ~~conducted by a certified public accountant or auditor in~~  
570 ~~accordance with s. 218.39 shall be provided to the governing body~~  
571 ~~of the charter school within 7 working days after finding that a~~  
572 ~~state of financial emergency exists. When a charter school is~~

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573 ~~found to be in a state of financial emergency by a certified~~  
574 ~~public accountant or auditor, the charter school must file a~~  
575 ~~detailed financial recovery plan with the sponsor within 30 days~~  
576 ~~after receipt of the audit.~~

577 ~~(g)(h)~~ In order to provide financial information that is  
578 comparable to that reported for other public schools, charter  
579 schools are to maintain all financial records which constitute  
580 their accounting system:

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

584 2. At the discretion of the charter school governing board,  
585 a charter school may elect to follow generally accepted  
586 accounting standards for not-for-profit organizations, but must  
587 reformat this information for reporting according to this  
588 paragraph.

589  
590 Charter schools shall provide annual financial report and program  
591 cost report information in the state-required formats for  
592 inclusion in district reporting in compliance with s. 1011.60(1).

593 Charter schools that are operated by a municipality or are a  
594 component unit of a parent nonprofit organization may use the  
595 accounting system of the municipality or the parent but must  
596 reformat this information for reporting according to this  
597 paragraph. A charter school shall provide monthly financial  
598 statements to the sponsor.

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

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

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

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

609            2. Reviewing and approving the audit report, including  
610 audit findings and recommendations for the financial recovery  
611 plan.

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

614            b. Monitoring a financial recovery plan in order to ensure  
615 compliance.

616            4. Participating in governance training approved by the  
617 department that must include government in the sunshine,  
618 conflicts of interest, ethics, and financial responsibility.

619        (k)~~(l)~~ The governing body of the charter school shall  
620 report its progress annually to its sponsor, which shall forward  
621 the report to the Commissioner of Education at the same time as  
622 other annual school accountability reports. The Department of  
623 Education shall develop a uniform, online annual accountability  
624 report to be completed by charter schools. This report shall be  
625 easy to utilize and contain demographic information, student  
626 performance data, and financial accountability information. A  
627 charter school shall not be required to provide information and  
628 data that is duplicative and already in the possession of the  
629 department. The Department of Education shall include in its

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

633 1. Student achievement performance data, including the  
634 information required for the annual school report and the  
635 education accountability system governed by ss. 1008.31 and  
636 1008.345. Charter schools are subject to the same accountability  
637 requirements as other public schools, including reports of  
638 student achievement information that links baseline student data  
639 to the school's performance projections identified in the  
640 charter. The charter school shall identify reasons for any  
641 difference between projected and actual student performance.

642 2. Financial status of the charter school which must  
643 include revenues and expenditures at a level of detail that  
644 allows for analysis of the ability to meet financial obligations  
645 and timely repayment of debt.

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

649 4. Descriptive information about the charter school's  
650 personnel, including salary and benefit levels of charter school  
651 employees, the proportion of instructional personnel who hold  
652 professional or temporary certificates, and the proportion of  
653 instructional personnel teaching in-field or out-of-field.

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

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

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659        (n)~~(e)~~ The director and a representative of the governing  
660 body of a charter school that has received a school grade of "D"  
661 under s. 1008.34(2) shall appear before the sponsor or the  
662 sponsor's staff at least once a year to present information  
663 concerning each contract component having noted deficiencies. The  
664 sponsor shall communicate at the meeting, and in writing to the  
665 director, the services provided to the school to help the school  
666 address its deficiencies.

667        (o)~~(p)~~ Upon notification that a charter school receives a  
668 school grade of "D" for 2 consecutive years or a school grade of  
669 "F" under s. 1008.34(2), the charter school sponsor or the  
670 sponsor's staff shall require the director and a representative  
671 of the governing body to submit to the sponsor for approval a  
672 school improvement plan to raise student achievement and to  
673 implement the plan. The sponsor has the authority to approve a  
674 school improvement plan that the charter school will implement in  
675 the following school year. The sponsor may also consider the  
676 State Board of Education's recommended action pursuant to s.  
677 1008.33(1) as part of the school improvement plan. The Department  
678 of Education shall offer technical assistance and training to the  
679 charter school and its governing body and establish guidelines  
680 for developing, submitting, and approving such plans.

681        1. If the charter school fails to improve its student  
682 performance from the year immediately prior to the implementation  
683 of the school improvement plan, the sponsor shall place the  
684 charter school on probation and shall require the charter school  
685 governing body to take one of the following corrective actions:

686            a. Contract for the educational services of the charter  
687 school;



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688           b. Reorganize the school at the end of the school year  
689 under a new director or principal who is authorized to hire new  
690 staff and implement a plan that addresses the causes of  
691 inadequate progress; or

692           c. Reconstitute the charter school.

693           2. A charter school that is placed on probation shall  
694 continue the corrective actions required under subparagraph 1.  
695 until the charter school improves its student performance from  
696 the year prior to the implementation of the school improvement  
697 plan.

698           3. Notwithstanding any provision of this paragraph, the  
699 sponsor may terminate the charter at any time pursuant to the  
700 provisions of subsection (8).

701           (p) ~~(q)~~ The director and a representative of the governing  
702 body of a graded charter school that has submitted a school  
703 improvement plan or has been placed on probation under paragraph  
704 (o) ~~(p)~~ shall appear before the sponsor or the sponsor's staff at  
705 least once a year to present information regarding the corrective  
706 strategies that are being implemented by the school pursuant to  
707 the school improvement plan. The sponsor shall communicate at the  
708 meeting, and in writing to the director, the services provided to  
709 the school to help the school address its deficiencies.

710           (17) FUNDING.--Students enrolled in a charter school,  
711 regardless of the sponsorship, shall be funded as if they are in  
712 a basic program or a special program, the same as students  
713 enrolled in other public schools in the school district. Funding  
714 for a charter lab school shall be as provided in s. 1002.32. The  
715 maximum number of students eligible to be funded in any classroom

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716 of any charter school shall be the maximum number prescribed by  
717 law.

718 (a) Each charter school shall report its student enrollment  
719 to the sponsor as required in s. 1011.62, and in accordance with  
720 the definitions in s. 1011.61. The sponsor shall include each  
721 charter school's enrollment in the district's report of student  
722 enrollment. All charter schools submitting student record  
723 information required by the Department of Education shall comply  
724 with the Department of Education's guidelines for electronic data  
725 formats for such data, and all districts shall accept electronic  
726 data that complies with the Department of Education's electronic  
727 format.

728 (b) The basis for the agreement for funding students  
729 enrolled in a charter school shall be the sum of the school  
730 district's operating funds from the Florida Education Finance  
731 Program as provided in s. 1011.62 and the General Appropriations  
732 Act, including gross state and local funds, discretionary lottery  
733 funds, and funds from the school district's current operating  
734 discretionary millage levy; divided by total funded weighted  
735 full-time equivalent students in the school district; multiplied  
736 by the weighted full-time equivalent students for the charter  
737 school. Charter schools whose students or programs meet the  
738 eligibility criteria in law shall be entitled to their  
739 proportionate share of categorical program funds included in the  
740 total funds available in the Florida Education Finance Program by  
741 the Legislature, including transportation. Total funding for each  
742 charter school shall be recalculated during the year to reflect  
743 the revised calculations under the Florida Education Finance  
744 Program by the state and the actual weighted full-time equivalent

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745 students reported by the charter school during the full-time  
746 equivalent student survey periods designated by the Commissioner  
747 of Education.

748 (c) If the district school board is providing programs or  
749 services to students funded by federal funds, any eligible  
750 students enrolled in charter schools in the school district shall  
751 be provided federal funds for the same level of service provided  
752 students in the schools operated by the district school board.  
753 Pursuant to provisions of 20 U.S.C. 8061 s. 10306, all charter  
754 schools shall receive all federal funding for which the school is  
755 otherwise eligible, including Title I funding, not later than 5  
756 months after the charter school first opens and within 5 months  
757 after any subsequent expansion of enrollment.

758 (d) District school boards shall make timely and efficient  
759 payment and reimbursement to charter schools, including  
760 processing paperwork required to access special state and federal  
761 funding for which they may be eligible. The district school board  
762 may distribute funds to a charter school for up to 3 months based  
763 on the projected full-time equivalent student membership of the  
764 charter school. Thereafter, the results of full-time equivalent  
765 student membership surveys shall be used in adjusting the amount  
766 of funds distributed monthly to the charter school for the  
767 remainder of the fiscal year. The payment shall be issued no  
768 later than 10 working days after the district school board  
769 receives a distribution of state or federal funds. If a warrant  
770 for payment is not issued within 10 working days after receipt of  
771 funding by the district school board, the school district shall  
772 pay to the charter school, in addition to the amount of the  
773 scheduled disbursement, interest at a rate of 1 percent per month

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774 calculated on a daily basis on the unpaid balance from the  
775 expiration of the 10 working days until such time as the warrant  
776 is issued.

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

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

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

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

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

799 2. The charter school shall report the information in  
800 subparagraph 1. to each parent of a student at the charter  
801 school, the parent of a child on a waiting list for the charter  
802 school, the district in which the charter school is located, and

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

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

- 816 (I) Grades 3 through 5;  
817 (II) Grades 6 through 8; and  
818 (III) Grades 9 through 11.

819 b. Each charter school shall provide the information in  
820 this paragraph on its Internet website and also provide notice to  
821 the public in a manner that notifies the community at large, as  
822 provided by rules of the State Board of Education. The State  
823 Board of Education shall adopt rules to administer the notice  
824 requirements of this subparagraph pursuant to ss. 120.536(1) and  
825 120.54. The website shall include, through links or actual  
826 content, other information related to school performance.

827 (23) ANALYSIS OF CHARTER SCHOOL PERFORMANCE.--Upon receipt  
828 of the annual report required by paragraph (9) (k) ~~(9) (l)~~, the  
829 Department of Education shall provide to the State Board of  
830 Education, the Commissioner of Education, the Governor, the  
831 President of the Senate, and the Speaker of the House of

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832 Representatives an analysis and comparison of the overall  
833 performance of charter school students, to include all students  
834 whose scores are counted as part of the statewide assessment  
835 program, versus comparable public school students in the district  
836 as determined by the statewide assessment program currently  
837 administered in the school district, and other assessments  
838 administered pursuant to s. 1008.22(3).

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

840 (a) This subsection applies to charter school personnel in  
841 a charter school operated by a private entity. As used in this  
842 subsection, the term:

843 1. "Charter school personnel" means a charter school owner,  
844 president, chairperson of the governing board of directors,  
845 superintendent, governing board member, principal, assistant  
846 principal, or any other person employed by the charter school  
847 having equivalent decisionmaking authority and in whom is vested  
848 the authority, or to whom the authority has been delegated, to  
849 appoint, employ, promote, or advance individuals or to recommend  
850 individuals for appointment, employment, promotion, or  
851 advancement in connection with employment in a charter school,  
852 including the authority as a member of a governing body of a  
853 charter school to vote on the appointment, employment, promotion,  
854 or advancement of individuals.

855 2. "Relative" means father, mother, son, daughter, brother,  
856 sister, uncle, aunt, first cousin, nephew, niece, husband, wife,  
857 father-in-law, mother-in-law, son-in-law, daughter-in-law,  
858 brother-in-law, sister-in-law, stepfather, stepmother, stepson,  
859 stepdaughter, stepbrother, stepsister, half brother, or half  
860 sister.

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861        (b) Charter school personnel may not appoint, employ,  
862 promote, or advance, or advocate for appointment, employment,  
863 promotion, or advancement, in or to a position in the charter  
864 school in which the personnel are serving or over which the  
865 personnel exercises jurisdiction or control any individual who is  
866 a relative. An individual may not be appointed, employed,  
867 promoted, or advanced in or to a position in a charter school if  
868 such appointment, employment, promotion, or advancement has been  
869 advocated by charter school personnel who serve in or exercise  
870 jurisdiction or control over the charter school and who is a  
871 relative of the individual or if such appointment, employment,  
872 promotion, or advancement is made by the governing board of which  
873 a relative of the individual is a member.

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

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

879        (a) A member of a governing board of a charter school,  
880 including a charter school operated by a private entity, is  
881 subject to the provisions of ss. 112.313(2), (3), (7), and (12)  
882 and 112.3143(3).

883        (b) A member of a governing board of a charter school  
884 operated by a municipality or other public entity is subject to  
885 the provisions of s. 112.3144, relating to the disclosure of  
886 financial interests.

887        Section 7. Subsection (5), paragraph (a) of subsection (7),  
888 paragraph (a) of subsection (11), and subsection (12) of section  
889 1002.335, Florida Statutes, are amended to read:

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890 1002.335 Florida Schools of Excellence Commission.--

891 (5) CHARTERING AUTHORITY.--

892 (a) A charter school applicant may submit an application to  
893 the commission only if the school district in which the FSE  
894 charter school is to be located has not retained exclusive  
895 authority to authorize charter schools as provided in paragraph  
896 (e). If a district school board has not retained exclusive  
897 authority to authorize charter schools as provided in paragraph  
898 (e), the district school board and the commission shall have  
899 concurrent authority to authorize charter schools and FSE charter  
900 schools, respectively, to be located within the geographic  
901 boundaries of the school district. The district school board  
902 shall monitor and oversee all charter schools authorized by the  
903 district school board pursuant to s. 1002.33. The commission  
904 shall monitor and oversee all FSE charter schools sponsored by  
905 the commission pursuant to subsection (4).

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

912 (c) For fiscal year 2007-2008 and for each fiscal year  
913 thereafter, a district school board may seek ~~to retain~~ exclusive  
914 authority to authorize charter schools within the geographic  
915 boundaries of the school district by presenting to the State  
916 Board of Education, on or before March 1 of the fiscal year prior  
917 to that for which the exclusive authority is to apply, a written  
918 resolution adopted by the district school board indicating the



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919 intent to seek ~~retain~~ exclusive authority to authorize charter  
920 schools. A district school board may seek ~~to retain~~ the exclusive  
921 authority to authorize charter schools by presenting to the state  
922 board the written resolution on or before a date 60 days after  
923 establishment of the commission. The written resolution shall be  
924 accompanied by a written description addressing the elements  
925 described in paragraph (e). The district school board shall  
926 provide a complete copy of the resolution, including the  
927 description, to each charter school authorized by the district  
928 school board on or before the date it submits the resolution to  
929 the state board.

930 (d) A party may challenge the grant of exclusive authority  
931 made by the State Board of Education pursuant to paragraph (e) by  
932 filing with the state board a notice of challenge within 30 days  
933 after the state board grants initial exclusive authority. The  
934 notice shall be accompanied by a specific written description of  
935 the basis for the challenge. The challenging party, at the time  
936 of filing notice with the state board, shall provide a copy of  
937 the notice of challenge to the district school board that has  
938 been granted exclusive authority. The state board shall permit  
939 the district school board the opportunity to appear and respond  
940 in writing to the challenge. The state board shall make a  
941 determination upon the challenge within 60 days after receiving  
942 the notice of challenge.

943 (e) The State Board of Education shall grant to a district  
944 school board exclusive authority to authorize charter schools  
945 within the geographic boundaries of the school district if the  
946 state board determines, after adequate notice, in a public  
947 hearing, and after receiving input from any charter school

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948 | authorized by the district school board, that the district school  
949 | board has provided fair and equitable treatment to its charter  
950 | schools during the 4 years prior to the district school board's  
951 | submission of the resolution described in paragraph (c). The  
952 | state board's review of the resolution shall, at a minimum,  
953 | include consideration of the following:

954 |       1. Compliance with the provisions of s. 1002.33.

955 |       2. Compliance with full and accurate accounting practices  
956 | and charges for central administrative overhead costs.

957 |       3. Compliance with requirements allowing a charter school,  
958 | at its discretion, to purchase certain services or a combination  
959 | of services at actual cost to the district.

960 |       4. The absence of a district school board moratorium  
961 | regarding charter schools or the absence of any districtwide  
962 | charter school enrollment limits.

963 |       5. Compliance with valid orders of the state board.

964 |       6. The provision of assistance to charter schools to meet  
965 | their facilities needs by including those needs in local bond  
966 | issues or otherwise providing available land and facilities that  
967 | are comparable to those provided to other public school students  
968 | in the same grade levels within the school district.

969 |       7. The distribution to charter schools authorized by the  
970 | district school board of a pro rata share of federal and state  
971 | grants received by the district school board, except for any  
972 | grant received for a particular purpose which, by its express  
973 | terms, is intended to benefit a student population not able to be  
974 | served by, or a program not able to be offered at, a charter  
975 | school that did not receive a proportionate share of such grant  
976 | proceeds.

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977 8. The provision of adequate staff and other resources to  
978 serve charter schools authorized by the district school board,  
979 which services are provided by the district school board at a  
980 cost to the charter schools that does not exceed their actual  
981 cost to the district school board.

982 9. The lack of a policy or practice of imposing individual  
983 charter school enrollment limits, except as otherwise provided by  
984 law.

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

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

994 (g) For district school boards that have no discernible  
995 history of authorizing charter schools, the State Board of  
996 Education may not grant exclusive authority unless the district  
997 school board demonstrates that no approvable application has come  
998 before the district school board.

999 (h)1. A grant of exclusive authority by the State Board of  
1000 Education shall continue so long as a district school board  
1001 continues to comply with this section ~~and has presented a written~~  
1002 ~~resolution to the state board as set forth in paragraph (e).~~ A  
1003 presumption exists that a district school board that has been  
1004 granted exclusive authority has continued to provide fair and  
1005 equitable treatment of the charter schools in its district.

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1006       2. A charter school authorized by a district school board  
1007 within the previous 4 years may challenge the presumption that  
1008 the district school board continues to provide fair and equitable  
1009 treatment of the charter schools in its district by filing a  
1010 request for a hearing between January 1 and January 31 of any  
1011 year. The request for a hearing shall state with specificity the  
1012 basis for the challenge and must include a statement certifying  
1013 that a copy of the request was provided to the district school  
1014 board. If a legally sufficient challenge is filed, the  
1015 Commissioner of Education shall designate a hearing officer and  
1016 refer the matter to the hearing officer for the conduct of an  
1017 informal proceeding. The hearing officer shall provide findings  
1018 of fact and conclusions of law to the Commissioner of Education  
1019 in the form of a recommended order to the State Board of  
1020 Education. The State Board of Education shall enter a final order  
1021 prior to June 30 determining whether the district school board  
1022 continues to provide fair and equitable treatment to the charter  
1023 schools in its district.

1024       (i) Notwithstanding any other provision of this section to  
1025 the contrary, a district school board may permit the  
1026 establishment of one or more FSE charter schools within the  
1027 geographic boundaries of the school district by adopting a  
1028 favorable resolution and submitting the resolution to the State  
1029 Board of Education. The resolution shall be effective until it is  
1030 rescinded by resolution of the district school board.

1031       (7) COSPONSOR AGREEMENT.--

1032       (a) Upon approval of a cosponsor, the commission and the  
1033 cosponsor shall enter into an agreement that defines the  
1034 cosponsor's rights and obligations and includes the following:

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1035 1. An explanation of the personnel, contractual and  
1036 interagency relationships, and potential revenue sources  
1037 referenced in the application as required in paragraph (6) (c).

1038 2. Incorporation of the requirements of equal access for  
1039 all students, including any plans to provide food service or  
1040 transportation reasonably necessary to provide access to as many  
1041 students as possible.

1042 3. Incorporation of the requirement to serve low-income,  
1043 low-performing, gifted, or underserved student populations.

1044 4. An explanation of the academic and financial goals and  
1045 expected outcomes for the cosponsor's charter schools and the  
1046 method and plans by which they will be measured and achieved as  
1047 referenced in the application.

1048 5. The conflict-of-interest policies referenced in the  
1049 application.

1050 6. An explanation of the disposition of facilities and  
1051 assets upon termination and dissolution of a charter school  
1052 approved by the cosponsor.

1053 7.a. A provision requiring the cosponsor to annually appear  
1054 before the commission and provide a report as to the information  
1055 provided pursuant to s. 1002.33(9)(k) ~~s. 1002.33(9)(1)~~ for each  
1056 of its charter schools.

1057 b. A provision requiring the cosponsor to perform the  
1058 duties provided for in s. 1002.345.

1059 c. A provision requiring the governing board to perform the  
1060 duties provided for in s. 1002.345, including monitoring the  
1061 corrective action plan.

1062 8. A provision requiring that the cosponsor report the  
1063 student enrollment in each of its sponsored charter schools to

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1064 the district school board of the county in which the school is  
1065 located.

1066 9. A provision requiring that the cosponsor work with the  
1067 commission to provide the necessary reports to the State Board of  
1068 Education.

1069 10. Any other reasonable terms deemed appropriate by the  
1070 commission given the unique characteristics of the cosponsor.

1071 (11) APPLICATION OF CHARTER SCHOOL STATUTE.--

1072 (a) The provisions of s. 1002.33(7)-(12), (14), ~~and~~ (16)-  
1073 (19), (21)(b), (24), and (25) ~~shall~~ apply to the commission and  
1074 the cosponsors and charter schools approved pursuant to this  
1075 section.

1076 (12) ACCESS TO INFORMATION.--The commission shall provide  
1077 maximum access to information to all parents in the state. It  
1078 shall maintain information systems, including, but not limited  
1079 to, a user-friendly Internet website, that will provide  
1080 information and data necessary for parents to make informed  
1081 decisions, including a link to the information provided in s.  
1082 1002.33(21)(b)3.b. At a minimum, the commission must provide  
1083 parents with information on its accountability standards, links  
1084 to schools of excellence throughout the state, and public  
1085 education programs available in the state.

1086 Section 8. Subsections (4) and (5), paragraphs (d) and (f)  
1087 of subsection (6), paragraph (c) of subsection (10), and  
1088 subsection (13) of section 1002.34, Florida Statutes, are amended  
1089 to read:

1090 1002.34 Charter technical career centers.--

1091 (4) CHARTER.--A sponsor may designate centers as provided  
1092 in this section. An application to establish a center may be

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1093 submitted by a sponsor or another organization that is  
1094 determined, by rule of the State Board of Education, to be  
1095 appropriate. However, an independent school is not eligible for  
1096 status as a center. The charter must be signed by the governing  
1097 body of the center and the sponsor, and must be approved by the  
1098 district school board and community college board of trustees in  
1099 whose geographic region the facility is located. If a charter  
1100 technical career center is established by the conversion to  
1101 charter status of a public technical center formerly governed by  
1102 a district school board, the charter status of that center takes  
1103 precedence in any question of governance. The governance of the  
1104 center or of any program within the center remains with its board  
1105 of directors unless the board agrees to a change in governance or  
1106 its charter is revoked as provided in subsection (15). Such a  
1107 conversion charter technical career center is not affected by a  
1108 change in the governance of public technical centers or of  
1109 programs within other centers that are or have been governed by  
1110 district school boards. A charter technical career center, or any  
1111 program within such a center, that was governed by a district  
1112 school board and transferred to a community college prior to the  
1113 effective date of this act is not affected by this provision. An  
1114 applicant who wishes to establish a center must submit to the  
1115 district school board or community college board of trustees, or  
1116 a consortium of one or more of each, an application on a form  
1117 developed by the Department of Education which ~~that~~ includes:  
1118       (a) The name of the proposed center.  
1119       (b) The proposed structure of the center, including a list  
1120 of proposed members of the board of directors or a description of

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1121 | the qualifications for and method of their appointment or  
1122 | election.

1123 |       (c) The workforce development goals of the center, the  
1124 | curriculum to be offered, and the outcomes and the methods of  
1125 | assessing the extent to which the outcomes are met.

1126 |       (d) The admissions policy and criteria for evaluating the  
1127 | admission of students.

1128 |       (e) A description of the staff responsibilities and the  
1129 | proposed qualifications of the teaching staff.

1130 |       (f) A description of the procedures to be implemented to  
1131 | ensure significant involvement of representatives of business and  
1132 | industry in the operation of the center.

1133 |       (g) A method for determining whether a student has  
1134 | satisfied the requirements for graduation specified in s. 1003.43  
1135 | and for completion of a postsecondary certificate or degree.

1136 |       (h) A method for granting secondary and postsecondary  
1137 | diplomas, certificates, and degrees.

1138 |       (i) A description of and address for the physical facility  
1139 | in which the center will be located.

1140 |       (j) A method of resolving conflicts between the governing  
1141 | body of the center and the sponsor and between consortium  
1142 | members, if applicable.

1143 |       (k) A method for reporting student data as required by law  
1144 | and rule.

1145 |       (l) A statement that the applicant has participated in the  
1146 | training provided by the Department of Education.

1147 |       (m) The identity of all relatives employed by the charter  
1148 | technical career center who are related to the center owner,  
1149 | president, chairperson of the governing board of directors,



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1150 superintendent, governing board member, principal, assistant  
1151 principal, or any other person employed by the center who has  
1152 equivalent decisionmaking authority. As used in this paragraph,  
1153 the term "relative" means father, mother, son, daughter, brother,  
1154 sister, uncle, aunt, first cousin, nephew, niece, husband, wife,  
1155 father-in-law, mother-in-law, son-in-law, daughter-in-law,  
1156 brother-in-law, sister-in-law, stepfather, stepmother, stepson,  
1157 stepdaughter, stepbrother, stepsister, half brother, or half  
1158 sister.

1159 (m)~~(l)~~ Other information required by the district school  
1160 board or community college board of trustees.

1161  
1162 Students at a center must meet the same testing and academic  
1163 performance standards as those established by law and rule for  
1164 students at public schools and public technical centers. The  
1165 students must also meet any additional assessment indicators that  
1166 are included within the charter approved by the district school  
1167 board or community college board of trustees.

1168 (5) APPLICATION.--An application to establish a center must  
1169 be submitted by February 1 of the year preceding the school year  
1170 in which the center will begin operation. The sponsor must review  
1171 the application using an evaluation instrument developed by the  
1172 Department of Education and make a final decision on whether to  
1173 approve the application and grant the charter by March 1, and may  
1174 condition the granting of a charter on the center's taking  
1175 certain actions or maintaining certain conditions. Such actions  
1176 and conditions must be provided to the applicant in writing. The  
1177 district school board or community college board of trustees is  
1178 not required to issue a charter to any person.

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1179 (6) SPONSOR.--A district school board or community college  
1180 board of trustees or a consortium of one or more of each may  
1181 sponsor a center in the county in which the board has  
1182 jurisdiction.

1183 (d)1. The Department of Education shall offer or arrange  
1184 for training and technical assistance to applicants in developing  
1185 business plans and estimating costs and income. This assistance  
1186 shall address estimating startup costs, projecting enrollment,  
1187 and identifying the types and amounts of state and federal  
1188 financial assistance the center will be eligible to receive. The  
1189 training shall include instruction in accurate financial planning  
1190 and good business practices.

1191 2. An applicant must participate in the training provided  
1192 by the Department of Education prior to filing an application.  
1193 The Department of Education may provide technical assistance to  
1194 an applicant upon written request.

1195 (f) The sponsor shall monitor and review the center's  
1196 progress toward charter goals and shall monitor the center's  
1197 revenues and expenditures. The sponsor shall perform the duties  
1198 provided for in s. 1002.345.

1199 (10) EXEMPTION FROM STATUTES.--

1200 (c) A center must comply with the antidiscrimination  
1201 provisions of s. 1000.05 and the provisions of s. 1002.33(24),  
1202 relating to the employment of relatives.

1203 (13) BOARD OF DIRECTORS AUTHORITY.--The board of directors  
1204 of a center may decide matters relating to the operation of the  
1205 school, including budgeting, curriculum, and operating  
1206 procedures, subject to the center's charter. The board of  
1207 directors is responsible for performing the duties provided for

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1208 in s. 1002.345, including monitoring the corrective action plan.  
1209 The board of directors must comply with the provisions of s.  
1210 1002.33(25).

1211 Section 9. Section 1002.345, Florida Statutes, is created  
1212 to read:

1213 1002.345 Determination of financial weaknesses and  
1214 financial emergencies for charter schools and charter technical  
1215 career centers.--This section applies to charter schools  
1216 operating pursuant to ss. 1002.33 and 1002.335, and to charter  
1217 technical career centers operating pursuant to s. 1002.34.

1218 (1) FINANCIAL WEAKNESS; REQUIREMENTS.--

1219 (a) A charter school and a charter technical career center  
1220 shall be subject to an expedited review by the sponsor when any  
1221 one of the following conditions occurs:

1222 1. An end-of-year financial deficit.

1223 2. A substantial decline in student enrollment without a  
1224 commensurate reduction in expenses.

1225 3. Insufficient revenues to pay current operating expenses.

1226 4. Insufficient revenues to pay long-term expenses.

1227 5. Disproportionate administrative expenses.

1228 6. Excessive debt.

1229 7. Excessive expenditures.

1230 8. Inadequate fund balances or reserves.

1231 9. Failure to meet financial reporting requirements

1232 pursuant to s. 1002.33(9), s. 1002.335(7)(a)7., or s.

1233 1002.34(14).

1234 10. Weak financial controls or other adverse financial  
1235 conditions identified through an annual audit conducted pursuant  
1236 to s. 218.39.

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1237 11. Negative financial findings cited in reports by the  
1238 Auditor General or the Office of Program Policy Analysis and  
1239 Government Accountability.

1240 (b) A sponsor shall notify the governing board within 7  
1241 working days when one or more of the conditions specified in  
1242 paragraph (a) occur.

1243 (c) The governing board and the sponsor shall develop a  
1244 corrective action plan and file the plan with the Commissioner of  
1245 Education within 30 working days. If the governing board and the  
1246 sponsor are unable to agree on a corrective action plan, the  
1247 Commissioner of Education shall determine the components of the  
1248 plan. The governing board shall implement the plan.

1249 (d) The governing board shall include the corrective action  
1250 plan and the status of its implementation in the annual progress  
1251 report to the sponsor that is required under s. 1002.33(9)(k), s.  
1252 1002.335(7)(a)7., or s. 1002.34(14).

1253 (e) If the governing board fails to implement the  
1254 corrective action plan within 1 year, the State Board of  
1255 Education shall prescribe any steps necessary for the charter  
1256 school or the charter technical career center to comply with  
1257 state requirements.

1258 (f) The chair of the governing board shall annually appear  
1259 before the State Board of Education and report on the  
1260 implementation of the State Board of Education's requirements.

1261 (2) FINANCIAL EMERGENCY; DEFICIT FUND BALANCE; DEFICIT NET  
1262 ASSETS; REQUIREMENTS.--

1263 (a) A charter school and a charter technical career center  
1264 shall provide for a certified public accountant or auditor to  
1265 conduct an annual financial audit in accordance with s. 218.39.

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1266       (b) The charter shall ensure that, if an annual financial  
1267 audit of a charter school or charter technical career center  
1268 reveals one or more of the conditions in s. 218.503(1) have  
1269 occurred or will occur if action is not taken or if a charter  
1270 school or charter technical career center has a deficit fund  
1271 balance or deficit net assets, the auditor must notify the  
1272 governing board of the charter school or charter technical career  
1273 center, as appropriate, the sponsor, and the Commissioner of  
1274 Education.

1275       (c)1. When a financial audit conducted by a certified  
1276 public accountant in accordance with s. 218.39 reveals that one  
1277 or more of the conditions in s. 218.503(1) have occurred or will  
1278 occur if action is not taken or when a deficit fund balance or  
1279 deficit net assets exist, the auditor shall notify and provide  
1280 the financial audit to the governing board of the charter school  
1281 or charter technical career center, as appropriate, the sponsor,  
1282 and the Commissioner of Education within 7 working days after the  
1283 finding is made.

1284       2. When the charter school or charter technical career  
1285 center is found to be in a state of financial emergency pursuant  
1286 to s. 218.503(4), the charter school or charter technical career  
1287 center shall file a detailed financial recovery plan as provided  
1288 for in s. 218.503 with the sponsor within 30 days after being  
1289 notified by the Commissioner of Education that a financial  
1290 recovery plan is needed.

1291       (d) The sponsor shall file a copy of the financial recovery  
1292 plan with the Commissioner of Education.

1293       (e) The governing board shall include the financial  
1294 recovery plan and the status of its implementation in the annual

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1295 progress report to the sponsor which is required under s.  
1296 1002.33(9)(k), s. 1002.335(7)(a)7., or s. 1002.34(14).

1297 (3) REPORT.--The Commissioner of Education shall annually  
1298 report to the State Board of Education each charter school and  
1299 charter technical career center that is subject to a financial  
1300 recovery plan or a corrective action plan under this section.

1301 (4) RULES.--The State Board of Education shall adopt rules  
1302 pursuant to ss. 120.536(1) and 120.54 for developing financial  
1303 recovery and corrective action plans and establishing the  
1304 criteria for defining each of the conditions in subsection (1).

1305 (5) TECHNICAL ASSISTANCE.--The Department of Education  
1306 shall provide technical assistance to charter schools, charter  
1307 technical career centers, governing boards, and sponsors in  
1308 developing financial recovery and corrective action plans.

1309 (6) FAILURE TO CORRECT DEFICIENCIES.--The sponsor may  
1310 choose not to renew or may terminate a charter if the charter  
1311 school or charter technical career center fails to correct the  
1312 deficiencies noted in the corrective action plan within 1 year or  
1313 exhibits one or more financial emergency conditions as provided  
1314 in s. 218.503 for 2 consecutive years. This subsection is not  
1315 intended to affect a sponsor's authority to terminate or not  
1316 renew a charter pursuant to s. 1002.33(8).

1317 Section 10. This act shall take effect July 1, 2008.