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CHAMBER ACTION

Senate

House

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Floor: 1a/RE/2R
4/30/2008 10:07 PM

1 Senator Gaetz moved the following amendment to amendment
2 (510960):

3
4 Senate Amendment (with title amendment)

5 Between line(s) 5 and 6,
6 insert:

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

10 11.45 Definitions; duties; authorities; reports; rules.--

11 (7) AUDITOR GENERAL REPORTING REQUIREMENTS.--

12 (e) The Auditor General shall notify the Governor or the
13 Commissioner of Education, as appropriate, and the Legislative
14 Auditing Committee of any audit report reviewed by the Auditor
15 General pursuant to paragraph (b) which contains a statement that
16 a local governmental entity, charter school, charter technical
17 career center, or district school board has met one or more of



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18 the conditions specified in s. 218.503. If the Auditor General
19 requests a clarification regarding information included in an
20 audit report to determine whether a local governmental entity,
21 charter school, charter technical career center, or district
22 school board has met one or more of the conditions specified in
23 s. 218.503, the requested clarification must be provided within
24 45 days after the date of the request. If the local governmental
25 entity, charter school, charter technical career center, or
26 district school board does not comply with the Auditor General's
27 request, the Auditor General shall notify the Legislative
28 Auditing Committee. If, after obtaining the requested
29 clarification, the Auditor General determines that the local
30 governmental entity, charter school, charter technical career
31 center, or district school board has met one or more of the
32 conditions specified in s. 218.503, he or she shall notify the
33 Governor or the Commissioner of Education, as appropriate, and
34 the Legislative Auditing Committee.

35 (8) RULES OF THE AUDITOR GENERAL.--The Auditor General, in
36 consultation with the Board of Accountancy, shall adopt rules for
37 the form and conduct of all financial audits performed by
38 independent certified public accountants pursuant to ss. 215.981,
39 218.39, 1001.453, 1004.28, and 1004.70. The rules for audits of
40 local governmental entities, charter schools, charter school
41 technical career centers, and district school boards must
42 include, but are not limited to, requirements for the reporting
43 of information necessary to carry out the purposes of the Local
44 Governmental Entity, Charter School, Charter Technical Career
45 Center, and District School Board Financial Emergencies Act as
46 stated in s. 218.501.



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47 Section 2. Section 218.50, Florida Statutes, is amended to
48 read:

49 218.50 Short title.--Sections 218.50-218.504 may be cited
50 as the "Local Governmental Entity, Charter School, Charter
51 Technical Career Center, and District School Board Financial
52 Emergencies Act."

53 Section 3. Section 218.501, Florida Statutes, is amended to
54 read:

55 218.501 Purposes.--The purposes of ss. 218.50-218.504 are:

56 (1) To promote the fiscal responsibility of local
57 governmental entities, charter schools, charter technical career
58 centers, and district school boards.

59 (2) To assist local governmental entities, charter schools,
60 charter technical career centers, and district school boards in
61 providing essential services without interruption and in meeting
62 their financial obligations.

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

66 Section 4. Subsections (1), (2), and (4) of section
67 218.503, Florida Statutes, are amended to read:

68 218.503 Determination of financial emergency.--

69 (1) Local governmental entities, charter schools, charter
70 technical career centers, and district school boards shall be
71 subject to review and oversight by the Governor, the charter
72 school sponsor, the charter technical career center sponsor, or
73 the Commissioner of Education, as appropriate, when any one of
74 the following conditions occurs:



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

78 (b) Failure to pay uncontested claims from creditors within
79 90 days after the claim is presented, as a result of a lack of
80 funds.

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

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

84 2. Employer and employee contributions for:

85 a. Federal social security; or

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

87 (d) Failure for one pay period to pay, due to lack of
88 funds:

89 1. Wages and salaries owed to employees; or

90 2. Retirement benefits owed to former employees.

91 (e) An unreserved or total fund balance or retained
92 earnings deficit, or unrestricted or total net assets deficit, as
93 reported on the balance sheet or statement of net assets on the
94 general purpose or fund financial statements, for which
95 sufficient resources of the local governmental entity, as
96 reported on the balance sheet or statement of net assets on the
97 general purpose or fund financial statements, are not available
98 to cover the deficit. Resources available to cover reported
99 deficits include net assets that are not otherwise restricted by
100 federal, state, or local laws, bond covenants, contractual
101 agreements, or other legal constraints. Fixed or capital assets,
102 the disposal of which would impair the ability of a local
103 governmental entity to carry out its functions, are not
104 considered resources available to cover reported deficits.



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105 (2) A local governmental entity shall notify the Governor
106 and the Legislative Auditing Committee, a charter school shall
107 notify the charter school sponsor and the Legislative Auditing
108 Committee, a charter technical career center shall notify the
109 charter technical career center sponsor and the Legislative
110 Auditing Committee, and a district school board shall notify the
111 Commissioner of Education and the Legislative Auditing Committee,
112 when one or more of the conditions specified in subsection (1)
113 have occurred or will occur if action is not taken to assist the
114 local governmental entity, charter school, charter school
115 technical career center, or district school board. In addition,
116 any state agency must, within 30 days after a determination that
117 one or more of the conditions specified in subsection (1) have
118 occurred or will occur if action is not taken to assist the local
119 governmental entity, charter school, charter school technical
120 career center, or district school board, notify the Governor,
121 charter school sponsor, charter school technical career center
122 sponsor, or the Commissioner of Education, as appropriate, and
123 the Legislative Auditing Committee.

124 (4) (a) Upon notification that one or more of the conditions
125 in subsection (1) exist, the charter school sponsor or the
126 sponsor's designee and the Commissioner of Education shall
127 contact the charter school governing body to determine what
128 actions have been taken by the charter school governing body to
129 resolve the condition. The Commissioner of Education ~~charter~~
130 ~~school sponsor~~ has the authority to require and approve a
131 financial recovery plan, to be prepared by the charter school
132 governing body, prescribing actions that will cause the charter
133 school to no longer be subject to this section. ~~The Department of~~
134 ~~Education shall establish guidelines for developing such plans.~~



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135 (b) Upon notification that one or more of the conditions in
136 subsection (1) exist, the charter technical career center sponsor
137 or the sponsor's designee and the Commissioner of Education shall
138 contact the charter technical career center governing body to
139 determine what actions have been taken by the charter technical
140 career center governing body to resolve the condition. The
141 Commissioner of Education may require and approve a financial
142 recovery plan, to be prepared by the charter technical career
143 center governing body, prescribing actions that will cause the
144 charter technical career center to no longer be subject to this
145 section.

146 (c) The Commissioner of Education shall determine if the
147 charter school or charter technical career center needs a
148 financial recovery plan to resolve the condition. If the
149 Commissioner of Education determines that a financial recovery
150 plan is needed, the charter school or charter technical career
151 center is considered to be in a state of financial emergency.

152
153 The Department of Education, with the involvement of sponsors,
154 charter schools, and charter technical career centers, shall
155 establish guidelines for developing such plans.

156 Section 5. Section 218.504, Florida Statutes, is amended to
157 read:

158 218.504 Cessation of state action.--The Governor or the
159 Commissioner of Education, as appropriate, has the authority to
160 terminate all state actions pursuant to ss. 218.50-218.504.
161 Cessation of state action must not occur until the Governor or
162 the Commissioner of Education, as appropriate, has determined
163 that:



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

166 (a) Has established and is operating an effective financial
167 accounting and reporting system.

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

169 (2) None of the conditions outlined in s. 218.503(1)
170 exists.

171 Section 6. Paragraph (b) of subsection (5), paragraphs (a),
172 (b), and (g) of subsection (6), paragraph (a) of subsection (7),
173 paragraph (d) of subsection (8), paragraphs (g) through (q) of
174 subsection (9), paragraph (a) of subsection (10), and subsections
175 (17), (21), and (23) of section 1002.33, Florida Statutes, are
176 amended, present subsection (24) of that section is redesignated
177 as subsection (26), and a new subsection (24) and subsection (25)
178 are added to that section, to read:

179 1002.33 Charter schools.--

180 (5) SPONSOR; DUTIES.--

181 (b) Sponsor duties.--

182 1.a. The sponsor shall monitor and review the charter
183 school in its progress toward the goals established in the
184 charter.

185 b. The sponsor shall monitor the revenues and expenditures
186 of the charter school and perform the duties provided for in s.
187 1002.345.

188 c. The sponsor may approve a charter for a charter school
189 before the applicant has secured space, equipment, or personnel,
190 if the applicant indicates approval is necessary for it to raise
191 working funds.



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192 d. The sponsor's policies shall not apply to a charter
193 school unless mutually agreed to by both the sponsor and the
194 charter school.

195 e. The sponsor shall ensure that the charter is innovative
196 and consistent with the state education goals established by s.
197 1000.03(5).

198 f. The sponsor shall ensure that the charter school
199 participates in the state's education accountability system. If a
200 charter school falls short of performance measures included in
201 the approved charter, the sponsor shall report such shortcomings
202 to the Department of Education.

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

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

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

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

215 2. Immunity for the sponsor of a charter school under
216 subparagraph 1. applies only with respect to acts or omissions
217 not under the sponsor's direct authority as described in this
218 section.

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



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221 4. A community college may work with the school district or
222 school districts in its designated service area to develop
223 charter schools that offer secondary education. These charter
224 schools must include an option for students to receive an
225 associate degree upon high school graduation. District school
226 boards shall cooperate with and assist the community college on
227 the charter application. Community college applications for
228 charter schools are not subject to the time deadlines outlined in
229 subsection (6) and may be approved by the district school board
230 at any time during the year. Community colleges shall not report
231 FTE for any students who receive FTE funding through the Florida
232 Education Finance Program.

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

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

239 1. Demonstrates how the school will use the guiding
240 principles and meet the statutorily defined purpose of a charter
241 school.

242 2. Provides a detailed curriculum plan that illustrates how
243 students will be provided services to attain the Sunshine State
244 Standards.

245 3. Contains goals and objectives for improving student
246 learning and measuring that improvement. These goals and
247 objectives must indicate how much academic improvement students
248 are expected to show each year, how success will be evaluated,
249 and the specific results to be attained through instruction.



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250 4. Describes the reading curriculum and differentiated
251 strategies that will be used for students reading at grade level
252 or higher and a separate curriculum and strategies for students
253 who are reading below grade level. A sponsor shall deny a charter
254 if the school does not propose a reading curriculum that is
255 consistent with effective teaching strategies that are grounded
256 in scientifically based reading research.

257 5. Contains an annual financial plan for each year
258 requested by the charter for operation of the school for up to 5
259 years. This plan must contain anticipated fund balances based on
260 revenue projections, a spending plan based on projected revenues
261 and expenses, and a description of controls that will safeguard
262 finances and projected enrollment trends.

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

267 (b) A sponsor shall receive and review all applications for
268 a charter school using an evaluation instrument developed by the
269 Department of Education. A sponsor may require an applicant to
270 provide additional information as an addendum to this evaluation
271 instrument. Beginning with the 2007-2008 school year, a sponsor
272 shall receive and consider charter school applications received
273 on or before August 1 of each calendar year for charter schools
274 to be opened at the beginning of the school district's next
275 school year, or to be opened at a time agreed to by the applicant
276 and the sponsor. A sponsor may receive applications later than
277 this date if it chooses. A sponsor may not charge an applicant
278 for a charter any fee for the processing or consideration of an
279 application, and a sponsor may not base its consideration or



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280 approval of an application upon the promise of future payment of
281 any kind.

282 1. In order to facilitate an accurate budget projection
283 process, a sponsor shall be held harmless for FTE students who
284 are not included in the FTE projection due to approval of charter
285 school applications after the FTE projection deadline. In a
286 further effort to facilitate an accurate budget projection,
287 within 15 calendar days after receipt of a charter school
288 application, a sponsor shall report to the Department of
289 Education the name of the applicant entity, the proposed charter
290 school location, and its projected FTE.

291 2. In order to ensure fiscal responsibility, an application
292 for a charter school shall include a full accounting of expected
293 assets, a projection of expected sources and amounts of income,
294 including income derived from projected student enrollments and
295 from community support, and an expense projection that includes
296 full accounting of the costs of operation, including start-up
297 costs.

298 3. A sponsor shall by a majority vote approve or deny an
299 application no later than 60 calendar days after the application
300 is received, unless the sponsor and the applicant mutually agree
301 in writing to temporarily postpone the vote to a specific date,
302 at which time the sponsor shall by a majority vote approve or
303 deny the application. If the sponsor fails to act on the
304 application, an applicant may appeal to the State Board of
305 Education as provided in paragraph (c). If an application is
306 denied, the sponsor shall, within 10 calendar days, articulate in
307 writing the specific reasons, based upon good cause, supporting
308 its denial of the charter application and shall provide the



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309 letter of denial and supporting documentation to the applicant
310 and to the Department of Education supporting those reasons.

311 4. For budget projection purposes, the sponsor shall report
312 to the Department of Education the approval or denial of a
313 charter application within 10 calendar days after such approval
314 or denial. In the event of approval, the report to the Department
315 of Education shall include the final projected FTE for the
316 approved charter school.

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

321 (g)1. The Department of Education shall offer or arrange
322 for training and technical assistance to charter school
323 applicants in developing business plans and estimating costs and
324 income. This assistance shall address estimating startup costs,
325 projecting enrollment, and identifying the types and amounts of
326 state and federal financial assistance the charter school will be
327 eligible to receive. The department may provide other technical
328 assistance to an applicant upon written request.

329 2. A charter school applicant must participate in the
330 training provided by the Department of Education prior to filing
331 an application. However, a sponsor may require the charter school
332 applicant to attend training provided by the sponsor in lieu of
333 the department's training if the sponsor's training standards
334 meet or exceed the standards developed by the Department of
335 Education. The training shall include instruction in accurate
336 financial planning and good business practices. In addition to
337 the applicant, if the applicant is a management company or other



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338 nonprofit organization, the charter school principal and the
339 chief financial officer must also participate in the training.

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

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

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

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

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

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



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368 b. How these baseline rates will be compared to rates of
369 academic progress achieved by these same students while attending
370 the charter school.

371 c. To the extent possible, how these rates of progress will
372 be evaluated and compared with rates of progress of other closely
373 comparable student populations.

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

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

388 5. In secondary charter schools, a method for determining
389 that a student has satisfied the requirements for graduation in
390 s. 1003.43.

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

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

395 8. The ways by which the school will achieve a
396 racial/ethnic balance reflective of the community it serves or



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397 within the racial/ethnic range of other public schools in the
398 same school district.

399 9. The financial and administrative management of the
400 school, including a reasonable demonstration of the professional
401 experience or competence of those individuals or organizations
402 applying to operate the charter school or those hired or retained
403 to perform such professional services and the description of
404 clearly delineated responsibilities and the policies and
405 practices needed to effectively manage the charter school. A
406 description of internal audit procedures and establishment of
407 controls to ensure that financial resources are properly managed
408 must be included. Both public sector and private sector
409 professional experience shall be equally valid in such a
410 consideration.

411 10. The asset and liability projections required in the
412 application which are incorporated into the charter and which
413 shall be compared with information provided in the annual report
414 of the charter school. ~~The charter shall ensure that, if a~~
415 ~~charter school internal audit or annual financial audit reveals a~~
416 ~~state of financial emergency as defined in s. 218.503 or deficit~~
417 ~~financial position, the auditors are required to notify the~~
418 ~~charter school governing board, the sponsor, and the Department~~
419 ~~of Education. The internal auditor shall report such findings in~~
420 ~~the form of an exit interview to the principal or the principal~~
421 ~~administrator of the charter school and the chair of the~~
422 ~~governing board within 7 working days after finding the state of~~
423 ~~financial emergency or deficit position. A final report shall be~~
424 ~~provided to the entire governing board, the sponsor, and the~~
425 ~~Department of Education within 14 working days after the exit~~
426 ~~interview. When a charter school is in a state of financial~~



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427 ~~emergency, the charter school shall file a detailed financial~~
428 ~~recovery plan with the sponsor. The department, with the~~
429 ~~involvement of both sponsors and charter schools, shall establish~~
430 ~~guidelines for developing such plans.~~

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

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



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456 terminated during the term of the charter, but only according to
457 the provisions set forth in subsection (8).

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

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

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

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

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

480 18. Full disclosure of the identity of all relatives
481 employed by the charter school who are related to the charter
482 school owner, president, chairperson of the governing board of
483 directors, superintendent, governing board member, principal,
484 assistant principal, or any other person employed by the charter
485 school having equivalent decisionmaking authority. For the



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486 purpose of this subparagraph, the term "relative" means father,
487 mother, son, daughter, brother, sister, uncle, aunt, first
488 cousin, nephew, niece, husband, wife, father-in-law, mother-in-
489 law, son-in-law, daughter-in-law, brother-in-law, sister-in-law,
490 stepfather, stepmother, stepson, stepdaughter, stepbrother,
491 stepsister, half brother, or half sister.

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

493 (d) A charter may be terminated immediately if the sponsor
494 determines that good cause has been shown or if the health,
495 safety, or welfare of the students is threatened. The sponsor's
496 determination is not subject to an informal hearing under
497 paragraph (b) or pursuant to chapter 120. The sponsor shall
498 notify in writing the charter school's governing body, the
499 charter school principal, and the department if a charter is
500 immediately terminated. The sponsor shall clearly identify the
501 specific issues that resulted in the immediate termination and
502 provide evidence of prior notification of issues resulting in the
503 immediate termination when appropriate. The school district in
504 which the charter school is located shall assume operation of the
505 school under these circumstances. The charter school's governing
506 board may, within 30 days after receiving the sponsor's decision
507 to terminate the charter, appeal the decision pursuant to the
508 procedure established in subsection (6).

509 (9) CHARTER SCHOOL REQUIREMENTS.--

510 ~~(g) A charter school shall provide for an annual financial~~
511 ~~audit in accordance with s. 218.39. Financial audits that reveal~~
512 ~~a state of financial emergency as defined in s. 218.503 and are~~
513 ~~conducted by a certified public accountant or auditor in~~
514 ~~accordance with s. 218.39 shall be provided to the governing body~~
515 ~~of the charter school within 7 working days after finding that a~~



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516 ~~state of financial emergency exists. When a charter school is~~
517 ~~found to be in a state of financial emergency by a certified~~
518 ~~public accountant or auditor, the charter school must file a~~
519 ~~detailed financial recovery plan with the sponsor within 30 days~~
520 ~~after receipt of the audit.~~

521 (g) ~~(h)~~ In order to provide financial information that is
522 comparable to that reported for other public schools, charter
523 schools are to maintain all financial records which constitute
524 their accounting system:

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

528 2. At the discretion of the charter school governing board,
529 a charter school may elect to follow generally accepted
530 accounting standards for not-for-profit organizations, but must
531 reformat this information for reporting according to this
532 paragraph.

533
534 Charter schools shall provide annual financial report and program
535 cost report information in the state-required formats for
536 inclusion in district reporting in compliance with s. 1011.60(1).
537 Charter schools that are operated by a municipality or are a
538 component unit of a parent nonprofit organization may use the
539 accounting system of the municipality or the parent but must
540 reformat this information for reporting according to this
541 paragraph. A charter school shall provide monthly financial
542 statements to the sponsor.

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



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

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

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

553 2. Reviewing and approving the audit report, including
554 audit findings and recommendations for the financial recovery
555 plan.

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

558 b. Monitoring a financial recovery plan in order to ensure
559 compliance.

560 4. Participating in governance training approved by the
561 department that must include government in the sunshine,
562 conflicts of interest, ethics, and financial responsibility.

563 ~~(k)-(l)~~ The governing body of the charter school shall
564 report its progress annually to its sponsor, which shall forward
565 the report to the Commissioner of Education at the same time as
566 other annual school accountability reports. The Department of
567 Education shall develop a uniform, online annual accountability
568 report to be completed by charter schools. This report shall be
569 easy to utilize and contain demographic information, student
570 performance data, and financial accountability information. A
571 charter school shall not be required to provide information and
572 data that is duplicative and already in the possession of the
573 department. The Department of Education shall include in its
574 compilation a notation if a school failed to file its report by



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575 the deadline established by the department. The report shall
576 include at least the following components:

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

586 2. Financial status of the charter school which must
587 include revenues and expenditures at a level of detail that
588 allows for analysis of the ability to meet financial obligations
589 and timely repayment of debt.

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

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

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

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

603 (n) ~~(o)~~ The director and a representative of the governing
604 body of a charter school that has received a school grade of "D"



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605 | under s. 1008.34(2) shall appear before the sponsor or the
606 | sponsor's staff at least once a year to present information
607 | concerning each contract component having noted deficiencies. The
608 | sponsor shall communicate at the meeting, and in writing to the
609 | director, the services provided to the school to help the school
610 | address its deficiencies.

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

625 | 1. If the charter school fails to improve its student
626 | performance from the year immediately prior to the implementation
627 | of the school improvement plan, the sponsor shall place the
628 | charter school on probation and shall require the charter school
629 | governing body to take one of the following corrective actions:

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

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



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634 staff and implement a plan that addresses the causes of
635 inadequate progress; or

636 c. Reconstitute the charter school.

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

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

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

654 (10) ELIGIBLE STUDENTS.--

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



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664 to, geographic proximity to a charter school in a neighboring
665 school district.

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

671 (a) Each charter school shall report its student enrollment
672 to the sponsor as required in s. 1011.62, and in accordance with
673 the definitions in s. 1011.61. The sponsor shall include each
674 charter school's enrollment in the district's report of student
675 enrollment. All charter schools submitting student record
676 information required by the Department of Education shall comply
677 with the Department of Education's guidelines for electronic data
678 formats for such data, and all districts shall accept electronic
679 data that complies with the Department of Education's electronic
680 format.

681 (b) The basis for the agreement for funding students
682 enrolled in a charter school shall be the sum of the school
683 district's operating funds from the Florida Education Finance
684 Program as provided in s. 1011.62 and the General Appropriations
685 Act, including gross state and local funds, discretionary lottery
686 funds, and funds from the school district's current operating
687 discretionary millage levy; divided by total funded weighted
688 full-time equivalent students in the school district; multiplied
689 by the weighted full-time equivalent students for the charter
690 school. Charter schools whose students or programs meet the
691 eligibility criteria in law shall be entitled to their
692 proportionate share of categorical program funds included in the
693 total funds available in the Florida Education Finance Program by



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694 the Legislature, including transportation. Total funding for each
695 charter school shall be recalculated during the year to reflect
696 the revised calculations under the Florida Education Finance
697 Program by the state and the actual weighted full-time equivalent
698 students reported by the charter school during the full-time
699 equivalent student survey periods designated by the Commissioner
700 of Education. Florida Education Finance Program funds for a
701 charter school must be distributed to the charter school by the
702 district school board within 10 days after receipt from the
703 state.

704 (c) If the district school board is providing programs or
705 services to students funded by federal funds, any eligible
706 students enrolled in charter schools in the school district shall
707 be provided federal funds for the same level of service provided
708 students in the schools operated by the district school board.
709 Pursuant to provisions of 20 U.S.C. 8061 s. 10306, all charter
710 schools shall receive all federal funding for which the school is
711 otherwise eligible, including Title I funding, not later than 5
712 months after the charter school first opens and within 5 months
713 after any subsequent expansion of enrollment.

714 (d) District school boards shall make timely and efficient
715 payment and reimbursement to charter schools, including
716 processing paperwork required to access special state and federal
717 funding for which they may be eligible. The district school board
718 may distribute funds to a charter school for up to 3 months based
719 on the projected full-time equivalent student membership of the
720 charter school. Thereafter, the results of full-time equivalent
721 student membership surveys shall be used in adjusting the amount
722 of funds distributed monthly to the charter school for the
723 remainder of the fiscal year. The payment shall be issued no



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724 later than 10 working days after the district school board
725 receives a distribution of state or federal funds. If a warrant
726 for payment is not issued within 10 working days after receipt of
727 funding by the district school board, the school district shall
728 pay to the charter school, in addition to the amount of the
729 scheduled disbursement, interest at a rate of 1 percent per month
730 calculated on a daily basis on the unpaid balance from the
731 expiration of the 10 working days until such time as the warrant
732 is issued.

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

734 (a) The Department of Education shall provide information
735 to the public, directly and through sponsors, both on how to form
736 and operate a charter school and on how to enroll in charter
737 schools once they are created. This information shall include a
738 standard application format, charter format, evaluation
739 instrument, and charter renewal format, which shall include the
740 information specified in subsection (7) and shall be developed by
741 consulting and negotiating with ~~both~~ school districts, the
742 Florida Schools of Excellence Commission, and charter schools
743 before implementation. The charter and charter renewal ~~These~~
744 formats shall be used as guidelines by charter school sponsors.

745 (b)1. The Department of Education shall report student
746 assessment data pursuant to s. 1008.34(3)(b) which is reported to
747 schools that receive a school grade pursuant to s. 1008.34 or
748 student assessment data pursuant to s. 1008.341(3) which is
749 reported to alternative schools that receive a school improvement
750 rating pursuant to s. 1008.341 to each charter school that:

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



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

755 2. The charter school shall report the information in
756 subparagraph 1. to each parent of a student at the charter
757 school, the parent of a child on a waiting list for the charter
758 school, the district in which the charter school is located, and
759 the governing board of the charter school. This paragraph does
760 not abrogate the provisions of s. 1002.22, relating to student
761 records, and the requirements of 20 U.S.C. s. 1232g, the Family
762 Educational Rights and Privacy Act.

763 3.a. Pursuant to this paragraph, the Department of
764 Education shall compare the charter school student performance
765 data for each charter school in subparagraph 1. with the student
766 performance data in traditional public schools in the district in
767 which the charter school is located and other charter schools in
768 the state. For alternative charter schools, the department shall
769 compare the student performance data described in this paragraph
770 with all alternative schools in the state. The comparative data
771 shall be provided by the following grade groupings:

772 (I) Grades 3 through 5;

773 (II) Grades 6 through 8; and

774 (III) Grades 9 through 11.

775 b. Each charter school shall provide the information in
776 this paragraph on its Internet website and also provide notice to
777 the public in a manner that notifies the community at large, as
778 provided by rules of the State Board of Education. The State
779 Board of Education shall adopt rules to administer the notice
780 requirements of this subparagraph pursuant to ss. 120.536(1) and
781 120.54. The website shall include, through links or actual
782 content, other information related to school performance.



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783 (23) ANALYSIS OF CHARTER SCHOOL PERFORMANCE.--Upon receipt
784 of the annual report required by paragraph (9) (k) ~~(9) (1)~~, the
785 Department of Education shall provide to the State Board of
786 Education, the Commissioner of Education, the Governor, the
787 President of the Senate, and the Speaker of the House of
788 Representatives an analysis and comparison of the overall
789 performance of charter school students, to include all students
790 whose scores are counted as part of the statewide assessment
791 program, versus comparable public school students in the district
792 as determined by the statewide assessment program currently
793 administered in the school district, and other assessments
794 administered pursuant to s. 1008.22(3).

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

796 (a) This subsection applies to charter school personnel in
797 a charter school operated by a private entity. As used in this
798 subsection, the term:

799 1. "Charter school personnel" means a charter school owner,
800 president, chairperson of the governing board of directors,
801 superintendent, governing board member, principal, assistant
802 principal, or any other person employed by the charter school
803 having equivalent decisionmaking authority and in whom is vested
804 the authority, or to whom the authority has been delegated, to
805 appoint, employ, promote, or advance individuals or to recommend
806 individuals for appointment, employment, promotion, or
807 advancement in connection with employment in a charter school,
808 including the authority as a member of a governing body of a
809 charter school to vote on the appointment, employment, promotion,
810 or advancement of individuals.

811 2. "Relative" means father, mother, son, daughter, brother,
812 sister, uncle, aunt, first cousin, nephew, niece, husband, wife,



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813 father-in-law, mother-in-law, son-in-law, daughter-in-law,
814 brother-in-law, sister-in-law, stepfather, stepmother, stepson,
815 stepdaughter, stepbrother, stepsister, half brother, or half
816 sister.

817 (b) Charter school personnel may not appoint, employ,
818 promote, or advance, or advocate for appointment, employment,
819 promotion, or advancement, in or to a position in the charter
820 school in which the personnel are serving or over which the
821 personnel exercises jurisdiction or control any individual who is
822 a relative. An individual may not be appointed, employed,
823 promoted, or advanced in or to a position in a charter school if
824 such appointment, employment, promotion, or advancement has been
825 advocated by charter school personnel who serve in or exercise
826 jurisdiction or control over the charter school and who is a
827 relative of the individual or if such appointment, employment,
828 promotion, or advancement is made by the governing board of which
829 a relative of the individual is a member.

830 (c) The requirements in paragraph (b) may be waived by the
831 Commissioner of Education or his or her designee for good cause.

832 (d) Mere approval of budgets does not constitute
833 "jurisdiction or control" for the purposes of this subsection.
834 Charter school personnel in schools operated by a municipality or
835 other public entity are subject to the provisions of s. 112.3135.

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

837 (a) A member of a governing board of a charter school,
838 including a charter school operated by a private entity, is
839 subject to the provisions of ss. 112.313(2), (3), (7), and (12)
840 and 112.3143(3).

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



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843 the provisions of s. 112.3144, relating to the disclosure of
844 financial interests.

845 Section 7. Subsection (5), paragraph (a) of subsection (7),
846 paragraph (a) of subsection (11), and subsection (12) of section
847 1002.335, Florida Statutes, are amended to read:

848 1002.335 Florida Schools of Excellence Commission.--

849 (5) CHARTERING AUTHORITY.--

850 (a) A charter school applicant may submit an application to
851 the commission only if the school district in which the FSE
852 charter school is to be located has not retained exclusive
853 authority to authorize charter schools as provided in paragraph
854 (e). If a district school board has not retained exclusive
855 authority to authorize charter schools as provided in paragraph
856 (e), the district school board and the commission shall have
857 concurrent authority to authorize charter schools and FSE charter
858 schools, respectively, to be located within the geographic
859 boundaries of the school district. The district school board
860 shall monitor and oversee all charter schools authorized by the
861 district school board pursuant to s. 1002.33. The commission
862 shall monitor and oversee all FSE charter schools sponsored by
863 the commission pursuant to subsection (4).

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

870 (c) For fiscal year 2008-2009 and every 4 fiscal years
871 ~~2007-2008 and for each fiscal year~~ thereafter, a district school
872 board may seek ~~to retain~~ exclusive authority to authorize charter



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873 schools within the geographic boundaries of the school district
874 by presenting to the State Board of Education, on or before March
875 1 of the fiscal year prior to that for which the exclusive
876 authority is to apply, a written resolution adopted by the
877 district school board indicating the intent to seek ~~retain~~
878 exclusive authority to authorize charter schools. ~~A district~~
879 ~~school board may seek to retain the exclusive authority to~~
880 ~~authorize charter schools by presenting to the state board the~~
881 ~~written resolution on or before a date 60 days after~~
882 ~~establishment of the commission.~~ The written resolution shall be
883 accompanied by a written description addressing the elements
884 described in paragraph (e). The district school board shall
885 provide a complete copy of the resolution, including the
886 description, to each charter school authorized by the district
887 school board on or before the date it submits the resolution to
888 the state board.

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



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902 (e) The State Board of Education shall grant to a district
903 school board exclusive authority to authorize charter schools
904 within the geographic boundaries of the school district if the
905 state board determines, after adequate notice, in a public
906 hearing, and after receiving input from any charter school
907 authorized by the district school board, that the district school
908 board has provided fair and equitable treatment to its charter
909 schools during the 4 years prior to the district school board's
910 submission of the resolution described in paragraph (c). The
911 state board's review of the resolution shall, at a minimum,
912 include consideration of the following:

- 913 1. Compliance with the provisions of s. 1002.33.
- 914 2. Compliance with full and accurate accounting practices
915 and charges for central administrative overhead costs.
- 916 3. Compliance with requirements allowing a charter school,
917 at its discretion, to purchase certain services or a combination
918 of services at actual cost to the district.
- 919 4. The absence of a district school board moratorium
920 regarding charter schools or the absence of any districtwide
921 charter school enrollment limits.
- 922 5. Compliance with valid orders of the state board.
- 923 6. The provision of assistance to charter schools to meet
924 their facilities needs by including those needs in local bond
925 issues or otherwise providing available land and facilities that
926 are comparable to those provided to other public school students
927 in the same grade levels within the school district.
- 928 7. The distribution to charter schools authorized by the
929 district school board of a pro rata share of federal and state
930 grants received by the district school board, except for any
931 grant received for a particular purpose which, by its express



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932 terms, is intended to benefit a student population not able to be
933 served by, or a program not able to be offered at, a charter
934 school that did not receive a proportionate share of such grant
935 proceeds.

936 8. The provision of adequate staff and other resources to
937 serve charter schools authorized by the district school board,
938 which services are provided by the district school board at a
939 cost to the charter schools that does not exceed their actual
940 cost to the district school board.

941 9. The lack of a policy or practice of imposing individual
942 charter school enrollment limits, except as otherwise provided by
943 law.

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

949 (f) The decision of the State Board of Education to grant
950 or deny exclusive authority to a district school board pursuant
951 to paragraph (e) shall be effective for 4 fiscal years, shall not
952 be subject to the provisions of chapter 120 and shall be a final
953 action subject to judicial review by the district court of
954 appeal.

955 (g) For district school boards that have no discernible
956 history of authorizing charter schools, the State Board of
957 Education may not grant exclusive authority unless the district
958 school board demonstrates that no approvable application has come
959 before the district school board.

960 (h) A grant of exclusive authority by the State Board of
961 Education shall continue so long as a district school board



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962 continues to comply with this section ~~and has presented a written~~
963 ~~resolution to the state board as set forth in paragraph (c).~~

964 (i) Notwithstanding any other provision of this section to
965 the contrary, a district school board may permit the
966 establishment of one or more FSE charter schools within the
967 geographic boundaries of the school district by adopting a
968 favorable resolution and submitting the resolution to the State
969 Board of Education. The resolution shall be effective until it is
970 rescinded by resolution of the district school board.

971 (7) COSPONSOR AGREEMENT.--

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

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

978 2. Incorporation of the requirements of equal access for
979 all students, including any plans to provide food service or
980 transportation reasonably necessary to provide access to as many
981 students as possible.

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

984 4. An explanation of the academic and financial goals and
985 expected outcomes for the cosponsor's charter schools and the
986 method and plans by which they will be measured and achieved as
987 referenced in the application.

988 5. The conflict-of-interest policies referenced in the
989 application.



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990 6. An explanation of the disposition of facilities and
991 assets upon termination and dissolution of a charter school
992 approved by the cosponsor.

993 7.a. A provision requiring the cosponsor to annually appear
994 before the commission and provide a report as to the information
995 provided pursuant to s. 1002.33(9)(k) ~~s. 1002.33(9)(l)~~ for each
996 of its charter schools.

997 b. A provision requiring the cosponsor to perform the
998 duties provided for in s. 1002.345.

999 c. A provision requiring the governing board to perform the
1000 duties provided for in s. 1002.345, including monitoring the
1001 corrective action plan.

1002 8. A provision requiring that the cosponsor report the
1003 student enrollment in each of its sponsored charter schools to
1004 the district school board of the county in which the school is
1005 located.

1006 9. A provision requiring that the cosponsor work with the
1007 commission to provide the necessary reports to the State Board of
1008 Education.

1009 10. Any other reasonable terms deemed appropriate by the
1010 commission given the unique characteristics of the cosponsor.

1011 (11) APPLICATION OF CHARTER SCHOOL STATUTE.--

1012 (a) The provisions of s. 1002.33(7)-(12), (14), ~~and~~ (16)-
1013 (19), (21)(b), (24), and (25) shall apply to the commission and
1014 the cosponsors and charter schools approved pursuant to this
1015 section.

1016 (12) ACCESS TO INFORMATION.--The commission shall provide
1017 maximum access to information to all parents in the state. It
1018 shall maintain information systems, including, but not limited
1019 to, a user-friendly Internet website, that will provide



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1020 information and data necessary for parents to make informed
1021 decisions, including a link to the information provided in s.
1022 1002.33(21)(b)3.b. At a minimum, the commission must provide
1023 parents with information on its accountability standards, links
1024 to schools of excellence throughout the state, and public
1025 education programs available in the state.

1026 Section 8. Subsections (4) and (5), paragraphs (d) and (f)
1027 of subsection (6), paragraph (c) of subsection (10), and
1028 subsection (13) of section 1002.34, Florida Statutes, are amended
1029 to read:

1030 1002.34 Charter technical career centers.--

1031 (4) CHARTER.--A sponsor may designate centers as provided
1032 in this section. An application to establish a center may be
1033 submitted by a sponsor or another organization that is
1034 determined, by rule of the State Board of Education, to be
1035 appropriate. However, an independent school is not eligible for
1036 status as a center. The charter must be signed by the governing
1037 body of the center and the sponsor, and must be approved by the
1038 district school board and community college board of trustees in
1039 whose geographic region the facility is located. If a charter
1040 technical career center is established by the conversion to
1041 charter status of a public technical center formerly governed by
1042 a district school board, the charter status of that center takes
1043 precedence in any question of governance. The governance of the
1044 center or of any program within the center remains with its board
1045 of directors unless the board agrees to a change in governance or
1046 its charter is revoked as provided in subsection (15). Such a
1047 conversion charter technical career center is not affected by a
1048 change in the governance of public technical centers or of
1049 programs within other centers that are or have been governed by



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1050 district school boards. A charter technical career center, or any
1051 program within such a center, that was governed by a district
1052 school board and transferred to a community college prior to the
1053 effective date of this act is not affected by this provision. An
1054 applicant who wishes to establish a center must submit to the
1055 district school board or community college board of trustees, or
1056 a consortium of one or more of each, an application on a form
1057 developed by the Department of Education which ~~that~~ includes:

1058 (a) The name of the proposed center.

1059 (b) The proposed structure of the center, including a list
1060 of proposed members of the board of directors or a description of
1061 the qualifications for and method of their appointment or
1062 election.

1063 (c) The workforce development goals of the center, the
1064 curriculum to be offered, and the outcomes and the methods of
1065 assessing the extent to which the outcomes are met.

1066 (d) The admissions policy and criteria for evaluating the
1067 admission of students.

1068 (e) A description of the staff responsibilities and the
1069 proposed qualifications of the teaching staff.

1070 (f) A description of the procedures to be implemented to
1071 ensure significant involvement of representatives of business and
1072 industry in the operation of the center.

1073 (g) A method for determining whether a student has
1074 satisfied the requirements for graduation specified in s. 1003.43
1075 and for completion of a postsecondary certificate or degree.

1076 (h) A method for granting secondary and postsecondary
1077 diplomas, certificates, and degrees.

1078 (i) A description of and address for the physical facility
1079 in which the center will be located.



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1080 (j) A method of resolving conflicts between the governing
1081 body of the center and the sponsor and between consortium
1082 members, if applicable.

1083 (k) A method for reporting student data as required by law
1084 and rule.

1085 (l) A statement that the applicant has participated in the
1086 training provided by the Department of Education.

1087 (m) The identity of all relatives employed by the charter
1088 technical career center who are related to the center owner,
1089 president, chairperson of the governing board of directors,
1090 superintendent, governing board member, principal, assistant
1091 principal, or any other person employed by the center who has
1092 equivalent decisionmaking authority. As used in this paragraph,
1093 the term "relative" means father, mother, son, daughter, brother,
1094 sister, uncle, aunt, first cousin, nephew, niece, husband, wife,
1095 father-in-law, mother-in-law, son-in-law, daughter-in-law,
1096 brother-in-law, sister-in-law, stepfather, stepmother, stepson,
1097 stepdaughter, stepbrother, stepsister, half brother, or half
1098 sister.

1099 (m)-(l) Other information required by the district school
1100 board or community college board of trustees.

1101
1102 Students at a center must meet the same testing and academic
1103 performance standards as those established by law and rule for
1104 students at public schools and public technical centers. The
1105 students must also meet any additional assessment indicators that
1106 are included within the charter approved by the district school
1107 board or community college board of trustees.

1108 (5) APPLICATION.--An application to establish a center must
1109 be submitted by February 1 of the year preceding the school year



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1110 in which the center will begin operation. The sponsor must review
1111 the application using an evaluation instrument developed by the
1112 Department of Education and make a final decision on whether to
1113 approve the application and grant the charter by March 1, and may
1114 condition the granting of a charter on the center's taking
1115 certain actions or maintaining certain conditions. Such actions
1116 and conditions must be provided to the applicant in writing. The
1117 district school board or community college board of trustees is
1118 not required to issue a charter to any person.

1119 (6) SPONSOR.--A district school board or community college
1120 board of trustees or a consortium of one or more of each may
1121 sponsor a center in the county in which the board has
1122 jurisdiction.

1123 (d)1. The Department of Education shall offer or arrange
1124 for training and technical assistance to applicants in developing
1125 business plans and estimating costs and income. This assistance
1126 shall address estimating startup costs, projecting enrollment,
1127 and identifying the types and amounts of state and federal
1128 financial assistance the center will be eligible to receive. The
1129 training shall include instruction in accurate financial planning
1130 and good business practices.

1131 2. An applicant must participate in the training provided
1132 by the Department of Education prior to filing an application.
1133 The Department of Education may provide technical assistance to
1134 an applicant upon written request.

1135 (f) The sponsor shall monitor and review the center's
1136 progress toward charter goals and shall monitor the center's
1137 revenues and expenditures. The sponsor shall perform the duties
1138 provided for in s. 1002.345.

1139 (10) EXEMPTION FROM STATUTES.--



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1140 (c) A center must comply with the antidiscrimination
1141 provisions of s. 1000.05 and the provisions of s. 1002.33(24),
1142 relating to the employment of relatives.

1143 (13) BOARD OF DIRECTORS AUTHORITY.--The board of directors
1144 of a center may decide matters relating to the operation of the
1145 school, including budgeting, curriculum, and operating
1146 procedures, subject to the center's charter. The board of
1147 directors is responsible for performing the duties provided for
1148 in s. 1002.345, including monitoring the corrective action plan.
1149 The board of directors must comply with the provisions of s.
1150 1002.33(25).

1151 Section 9. Section 1002.345, Florida Statutes, is created
1152 to read:

1153 1002.345 Determination of financial weaknesses and
1154 financial emergencies for charter schools and charter technical
1155 career centers.--This section applies to charter schools
1156 operating pursuant to ss. 1002.33 and 1002.335, and to charter
1157 technical career centers operating pursuant to s. 1002.34.

1158 (1) FINANCIAL WEAKNESS; REQUIREMENTS.--

1159 (a) A charter school and a charter technical career center
1160 shall be subject to an expedited review by the sponsor when any
1161 one of the following conditions occurs:

1162 1. An end-of-year financial deficit.

1163 2. A substantial decline in student enrollment without a
1164 commensurate reduction in expenses.

1165 3. Insufficient revenues to pay current operating expenses.

1166 4. Insufficient revenues to pay long-term expenses.

1167 5. Disproportionate administrative expenses.

1168 6. Excessive debt.

1169 7. Excessive expenditures.



- 1170 8. Inadequate fund balances or reserves.
- 1171 9. Failure to meet financial reporting requirements
1172 pursuant to s. 1002.33(9), s. 1002.335(7)(a)7., or s.
1173 1002.34(14).
- 1174 10. Weak financial controls or other adverse financial
1175 conditions identified through an annual audit conducted pursuant
1176 to s. 218.39.
- 1177 11. Negative financial findings cited in reports by the
1178 Auditor General or the Office of Program Policy Analysis and
1179 Government Accountability.
- 1180 (b) A sponsor shall notify the governing board within 7
1181 working days when one or more of the conditions specified in
1182 paragraph (a) occur.
- 1183 (c) The governing board and the sponsor shall develop a
1184 corrective action plan and file the plan with the Commissioner of
1185 Education within 30 working days. If the governing board and the
1186 sponsor are unable to agree on a corrective action plan, the
1187 Commissioner of Education shall determine the components of the
1188 plan. The governing board shall implement the plan.
- 1189 (d) The governing board shall include the corrective action
1190 plan and the status of its implementation in the annual progress
1191 report to the sponsor that is required under s. 1002.33(9)(k), s.
1192 1002.335(7)(a)7., or s. 1002.34(14).
- 1193 (e) If the governing board fails to implement the
1194 corrective action plan within 1 year, the State Board of
1195 Education shall prescribe any steps necessary for the charter
1196 school or the charter technical career center to comply with
1197 state requirements.



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1198 (f) The chair of the governing board shall annually appear
1199 before the State Board of Education and report on the
1200 implementation of the State Board of Education's requirements.

1201 (2) FINANCIAL EMERGENCY; DEFICIT FUND BALANCE; DEFICIT NET
1202 ASSETS; REQUIREMENTS.--

1203 (a) A charter school and a charter technical career center
1204 shall provide for a certified public accountant or auditor to
1205 conduct an annual financial audit in accordance with s. 218.39.

1206 (b) The charter shall ensure that, if an annual financial
1207 audit of a charter school or charter technical career center
1208 reveals one or more of the conditions in s. 218.503(1) have
1209 occurred or will occur if action is not taken or if a charter
1210 school or charter technical career center has a deficit fund
1211 balance or deficit net assets, the auditor must notify the
1212 governing board of the charter school or charter technical career
1213 center, as appropriate, the sponsor, and the Commissioner of
1214 Education.

1215 (c)1. When a financial audit conducted by a certified
1216 public accountant in accordance with s. 218.39 reveals that one
1217 or more of the conditions in s. 218.503(1) have occurred or will
1218 occur if action is not taken or when a deficit fund balance or
1219 deficit net assets exist, the auditor shall notify and provide
1220 the financial audit to the governing board of the charter school
1221 or charter technical career center, as appropriate, the sponsor,
1222 and the Commissioner of Education within 7 working days after the
1223 finding is made.

1224 2. When the charter school or charter technical career
1225 center is found to be in a state of financial emergency pursuant
1226 to s. 218.503(4), the charter school or charter technical career
1227 center shall file a detailed financial recovery plan as provided



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1228 for in s. 218.503 with the sponsor within 30 days after being
1229 notified by the Commissioner of Education that a financial
1230 recovery plan is needed.

1231 (d) The sponsor shall file a copy of the financial recovery
1232 plan with the Commissioner of Education.

1233 (e) The governing board shall include the financial
1234 recovery plan and the status of its implementation in the annual
1235 progress report to the sponsor which is required under s.
1236 1002.33(9)(k), s. 1002.335(7)(a)7., or s. 1002.34(14).

1237 (3) REPORT.--The Commissioner of Education shall annually
1238 report to the State Board of Education each charter school and
1239 charter technical career center that is subject to a financial
1240 recovery plan or a corrective action plan under this section.

1241 (4) RULES.--The State Board of Education shall adopt rules
1242 pursuant to ss. 120.536(1) and 120.54 for developing financial
1243 recovery and corrective action plans and establishing the
1244 criteria for defining each of the conditions in subsection (1).

1245 (5) TECHNICAL ASSISTANCE.--The Department of Education
1246 shall provide technical assistance to charter schools, charter
1247 technical career centers, governing boards, and sponsors in
1248 developing financial recovery and corrective action plans.

1249 (6) FAILURE TO CORRECT DEFICIENCIES.--The sponsor may
1250 choose not to renew or may terminate a charter if the charter
1251 school or charter technical career center fails to correct the
1252 deficiencies noted in the corrective action plan within 1 year or
1253 exhibits one or more financial emergency conditions as provided
1254 in s. 218.503 for 2 consecutive years. This subsection is not
1255 intended to affect a sponsor's authority to terminate or not
1256 renew a charter pursuant to s. 1002.33(8).

1257

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1258 ===== T I T L E A M E N D M E N T =====

1259 And the title is amended as follows:

1260 On line(s) 1305, after the first semicolon,
1261 insert:

1262
1263 amending ss. 11.45, 218.50, and 218.501, F.S., relating to
1264 audit reports by the Auditor General; conforming
1265 provisions related to changes in the entities subject to a
1266 state of financial emergency; amending ss. 218.503 and
1267 218.504, F.S.; providing that charter technical career
1268 centers are subject to certain requirements in the event
1269 of a financial emergency; requiring that the sponsor be
1270 notified of certain conditions; providing for the
1271 development of a financial recovery plan, which may be
1272 approved by the Commissioner of Education; amending s.
1273 1002.33, F.S.; providing for duties of charter school
1274 sponsors and governing boards when charter schools and
1275 charter technical career centers experience a financial
1276 weakness or a financial emergency; specifying forms to be
1277 used by charter school applicants and sponsors; requiring
1278 applicant training and documentation; deleting the
1279 auditing requirements and financial emergency provisions
1280 for charter schools; requiring charters schools to
1281 disclose the identity of relatives of charter school
1282 personnel; providing that the immediate termination of a
1283 charter is exempt from requirements for an informal
1284 hearing or for a hearing under ch. 120, F.S.; revising
1285 provisions relating to eligible students; providing
1286 requirements for the distribution of funds for charter
1287 schools; providing for the disclosure of the performance



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1288 of charter schools that are not given a school grade or
1289 school improvement rating; revising the requirements for
1290 providing information to the public on how to form and
1291 operate a charter school; providing reporting
1292 requirements; providing restrictions for the employment of
1293 relatives by charter school personnel; providing for a
1294 waiver by the Commissioner of Education; providing that
1295 members of a charter school governing board are subject to
1296 certain standards of conduct specified in ss. 112.313 and
1297 112.3143, F.S.; amending s. 1002.335, F.S.; eliminating
1298 the requirement for district school boards to annually
1299 seek continued exclusivity from the State Board of
1300 Education; specifying additional components of cosponsor
1301 agreements; amending s. 1002.34, F.S.; providing
1302 additional duties for charter technical career centers,
1303 applicants, sponsors, and governing boards; requiring the
1304 Department of Education to offer or arrange training and
1305 assistance to applicants for a charter technical career
1306 center; requiring that an applicant participate in the
1307 training; creating s. 1002.345, F.S.; establishing
1308 criteria and requirements for charter schools and charter
1309 technical career centers that have financial weaknesses or
1310 are in a state of financial emergency; establishing
1311 requirements for charter schools, charter technical career
1312 centers, governing bodies, and sponsors; requiring
1313 financial audits of charter schools and charter technical
1314 career centers; providing for corrective action and
1315 financial recovery plans; providing for duties of
1316 auditors, the Commissioner of Education, and the
1317 Department of Education; requiring the State Board of



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1318 | Education to adopt rules; providing grounds for
1319 | termination or nonrenewal of a charter;