

Amendment No.

CHAMBER ACTION

Senate

House

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1 Representative Nelson offered the following:

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

4 Remove everything after the enacting clause and insert:

5
6 Section 1. Paragraph (e) of subsection (7) and subsection
7 (8) of section 11.45, Florida Statutes, are amended to read:

8 11.45 Definitions; duties; authorities; reports; rules.--

9 (7) AUDITOR GENERAL REPORTING REQUIREMENTS.--

10 (e) The Auditor General shall notify the Governor or the
11 Commissioner of Education, as appropriate, and the Legislative
12 Auditing Committee of any audit report reviewed by the Auditor
13 General pursuant to paragraph (b) which contains a statement
14 that a local governmental entity, charter school, charter
15 technical career center, or district school board has met one or
16 more of the conditions specified in s. 218.503. If the Auditor
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17 General requests a clarification regarding information included
18 in an audit report to determine whether a local governmental
19 entity, charter school, charter technical career center, or
20 district school board has met one or more of the conditions
21 specified in s. 218.503, the requested clarification must be
22 provided within 45 days after the date of the request. If the
23 local governmental entity, charter school, charter technical
24 career center, or district school board does not comply with the
25 Auditor General's request, the Auditor General shall notify the
26 Legislative Auditing Committee. If, after obtaining the
27 requested clarification, the Auditor General determines that the
28 local governmental entity, charter school, charter technical
29 career center, or district school board has met one or more of
30 the conditions specified in s. 218.503, he or she shall notify
31 the Governor or the Commissioner of Education, as appropriate,
32 and the Legislative Auditing Committee.

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

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45 Section 2. Subsection (5) of section 218.39, Florida
46 Statutes, is amended to read:

47 218.39 Annual financial audit reports.--

48 (5) At the conclusion of the audit, the auditor shall
49 discuss with the chair of each local governmental entity or the
50 chair's designee, or with the elected official of each county
51 agency or with the elected official's designee, or with the
52 chair of the district school board or the chair's designee, or
53 with the chair of the board of the charter school or the chair's
54 designee, or with the chair of the charter technical career
55 center or the chair's designee, as appropriate, all of the
56 auditor's comments that will be included in the audit report. If
57 the officer is not available to discuss the auditor's comments,
58 their discussion is presumed when the comments are delivered in
59 writing to his or her office. The auditor shall notify each
60 member of the governing body of a local governmental entity,
61 district school board, ~~or~~ charter school, or charter technical
62 career center for which deteriorating financial conditions exist
63 that may cause a condition described in s. 218.503(1) to occur
64 if actions are not taken to address such conditions.

65 Section 3. Section 218.50, Florida Statutes, is amended to
66 read:

67 218.50 Short title.--Sections 218.50-218.504 may be cited
68 as the "Local Governmental Entity, Charter School, Charter
69 Technical Career Center, and District School Board Financial
70 Emergencies Act."

71 Section 4. Section 218.501, Florida Statutes, is amended
72 to read:

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

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

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

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

Section 5. Subsections (1), (2), (3), and (4) of section 218.503, Florida Statutes, are amended to read:

218.503 Determination of financial emergency.--

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

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

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

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

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

104 2. Employer and employee contributions for:

105 a. Federal social security; or

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

108 (d) Failure for one pay period to pay, due to lack of
109 funds:

110 1. Wages and salaries owed to employees; or

111 2. Retirement benefits owed to former employees.

112 (e) An unreserved or total fund balance or retained
113 earnings deficit, or unrestricted or total net assets deficit,
114 as reported on the balance sheet or statement of net assets on
115 the general purpose or fund financial statements, for which
116 sufficient resources of the local governmental entity, charter
117 school, charter technical career center, or district school
118 board, as reported on the balance sheet or statement of net
119 assets on the general purpose or fund financial statements, are
120 not available to cover the deficit. Resources available to cover
121 reported deficits include net assets that are not otherwise
122 restricted by federal, state, or local laws, bond covenants,
123 contractual agreements, or other legal constraints. Fixed or
124 capital assets, the disposal of which would impair the ability
125 of a local governmental entity, charter school, charter
126 technical career center, or district school board to carry out
127 its functions, are not considered resources available to cover
128 reported deficits.

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129 (2) A local governmental entity shall notify the Governor
130 and the Legislative Auditing Committee, a charter school shall
131 notify the charter school sponsor, the Commissioner of
132 Education, and the Legislative Auditing Committee, a charter
133 technical career center shall notify the charter technical
134 career center sponsor, the Commissioner of Education, and the
135 Legislative Auditing Committee, and a district school board
136 shall notify the Commissioner of Education and the Legislative
137 Auditing Committee, when one or more of the conditions specified
138 in subsection (1) have occurred or will occur if action is not
139 taken to assist the local governmental entity, charter school,
140 charter technical career center, or district school board. In
141 addition, any state agency must, within 30 days after a
142 determination that one or more of the conditions specified in
143 subsection (1) have occurred or will occur if action is not
144 taken to assist the local governmental entity, charter school,
145 charter technical career center, or district school board,
146 notify the Governor, charter school sponsor, charter technical
147 career center sponsor, or the Commissioner of Education, as
148 appropriate, and the Legislative Auditing Committee.

149 (3) Upon notification that one or more of the conditions
150 in subsection (1) have occurred or will occur if action is not
151 taken to assist the local governmental entity or district school
152 board exist, the Governor or his or her designee shall contact
153 the local governmental entity or the Commissioner of Education
154 or his or her designee shall contact the district school board
155 to determine what actions have been taken by the local
156 governmental entity or the district school board to resolve or

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157 | prevent the condition. The Governor or the Commissioner of
158 | Education, as appropriate, shall determine whether the local
159 | governmental entity or the district school board needs state
160 | assistance to resolve or prevent the condition. If state
161 | assistance is needed, the local governmental entity or district
162 | school board is considered to be in a state of financial
163 | emergency. The Governor or the Commissioner of Education, as
164 | appropriate, has the authority to implement measures as set
165 | forth in ss. 218.50-218.504 to assist the local governmental
166 | entity or district school board in resolving the financial
167 | emergency. Such measures may include, but are not limited to:

168 | (a) Requiring approval of the local governmental entity's
169 | budget by the Governor or approval of the district school
170 | board's budget by the Commissioner of Education.

171 | (b) Authorizing a state loan to a local governmental
172 | entity and providing for repayment of same.

173 | (c) Prohibiting a local governmental entity or district
174 | school board from issuing bonds, notes, certificates of
175 | indebtedness, or any other form of debt until such time as it is
176 | no longer subject to this section.

177 | (d) Making such inspections and reviews of records,
178 | information, reports, and assets of the local governmental
179 | entity or district school board. The appropriate local officials
180 | shall cooperate in such inspections and reviews.

181 | (e) Consulting with officials and auditors of the local
182 | governmental entity or the district school board and the
183 | appropriate state officials regarding any steps necessary to
184 | bring the books of account, accounting systems, financial
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185 procedures, and reports into compliance with state requirements.

186 (f) Providing technical assistance to the local
187 governmental entity or the district school board.

188 (g)1. Establishing a financial emergency board to oversee
189 the activities of the local governmental entity or the district
190 school board. If a financial emergency board is established for
191 a local governmental entity, the Governor shall appoint board
192 members and select a chair. If a financial emergency board is
193 established for a district school board, the State Board of
194 Education shall appoint board members and select a chair. The
195 financial emergency board shall adopt such rules as are
196 necessary for conducting board business. The board may:

197 a. Make such reviews of records, reports, and assets of
198 the local governmental entity or the district school board as
199 are needed.

200 b. Consult with officials and auditors of the local
201 governmental entity or the district school board and the
202 appropriate state officials regarding any steps necessary to
203 bring the books of account, accounting systems, financial
204 procedures, and reports of the local governmental entity or the
205 district school board into compliance with state requirements.

206 c. Review the operations, management, efficiency,
207 productivity, and financing of functions and operations of the
208 local governmental entity or the district school board.

209 2. The recommendations and reports made by the financial
210 emergency board must be submitted to the Governor for local
211 governmental entities or to the Commissioner of Education and
212 the State Board of Education for district school boards for
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213 appropriate action.

214 (h) Requiring and approving a plan, to be prepared by
215 officials of the local governmental entity or the district
216 school board in consultation with the appropriate state
217 officials, prescribing actions that will cause the local
218 governmental entity or district school board to no longer be
219 subject to this section. The plan must include, but need not be
220 limited to:

221 1. Provision for payment in full of obligations outlined
222 in subsection (1), designated as priority items, that are
223 currently due or will come due.

224 2. Establishment of priority budgeting or zero-based
225 budgeting in order to eliminate items that are not affordable.

226 3. The prohibition of a level of operations which can be
227 sustained only with nonrecurring revenues.

228 (4) (a) Upon notification that one or more of the
229 conditions in subsection (1) have occurred or will occur if
230 action is not taken to assist the charter school exist, the
231 charter school sponsor or the sponsor's designee and the
232 Commissioner of Education shall contact the charter school
233 governing body to determine what actions have been taken by the
234 charter school governing body to resolve or prevent the
235 condition. The Commissioner of Education ~~charter school sponsor~~
236 has the authority to require and approve a financial recovery
237 plan, to be prepared by the charter school governing body,
238 prescribing actions that will resolve or prevent the condition
239 ~~cause the charter school to no longer be subject to this~~
240 ~~section. The Department of Education shall establish guidelines~~
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241 ~~for developing such plans.~~

242 (b) Upon notification that one or more of the conditions
243 in subsection (1) have occurred or will occur if action is not
244 taken to assist the charter technical career center, the charter
245 technical career center sponsor or the sponsor's designee and
246 the Commissioner of Education shall contact the charter
247 technical career center governing body to determine what actions
248 have been taken by the governing body to resolve or prevent the
249 condition. The Commissioner of Education may require and approve
250 a financial recovery plan, to be prepared by the charter
251 technical career center governing body, prescribing actions that
252 will resolve or prevent the condition.

253 (c) The Commissioner of Education shall determine if the
254 charter school or charter technical career center needs a
255 financial recovery plan to resolve the condition. If the
256 Commissioner of Education determines that a financial recovery
257 plan is needed, the charter school or charter technical career
258 center is considered to be in a state of financial emergency.

259
260 The Department of Education, with the involvement of sponsors,
261 charter schools, and charter technical career centers, shall
262 establish guidelines for developing a financial recovery plan.

263 Section 6. Section 218.504, Florida Statutes, is amended
264 to read:

265 218.504 Cessation of state action.--The Governor or the
266 Commissioner of Education, as appropriate, has the authority to
267 terminate all state actions pursuant to ss. 218.50-218.504.

268 Cessation of state action must not occur until the Governor or
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269 the Commissioner of Education, as appropriate, has determined
270 that:

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

273 (a) Has established and is operating an effective
274 financial accounting and reporting system.

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

276 (2) None of the conditions outlined in s. 218.503(1)
277 exists.

278 Section 7. Paragraph (b) of subsection (5), paragraphs
279 (a), (b), and (g) of subsection (6), paragraph (a) of subsection
280 (7), paragraphs (a) and (d) of subsection (8), paragraphs (g)
281 through (q) of subsection (9), paragraph (d) of subsection (10),
282 subsection (16), paragraph (a) of subsection (20), and
283 subsections (21) and (23) of section 1002.33, Florida Statutes,
284 are amended, present subsection (24) of that section is
285 renumbered as subsection (26), and new subsections (24) and (25)
286 are added to that section, to read:

287 1002.33 Charter schools.--

288 (5) SPONSOR; DUTIES.--

289 (b) Sponsor duties.--

290 1.a. The sponsor shall monitor and review the charter
291 school in its progress toward the goals established in the
292 charter.

293 b. The sponsor shall monitor the revenues and expenditures
294 of the charter school and perform the duties provided in s.
295 1002.345.

296 c. The sponsor may not deny ~~approve~~ a charter for a
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297 charter school because ~~before~~ the applicant has not secured
298 space, equipment, or personnel, if the applicant indicates
299 approval is necessary for it to raise working funds.

300 d. The sponsor's policies shall not apply to a charter
301 school unless mutually agreed to by both the sponsor and the
302 charter school.

303 e. The sponsor shall ensure that the charter is innovative
304 and consistent with the state education goals established by s.
305 1000.03(5).

306 f. The sponsor shall ensure that the charter school
307 participates in the state's education accountability system. If
308 a charter school falls short of performance measures included in
309 the approved charter, the sponsor shall report such shortcomings
310 to the Department of Education.

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

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

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

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

323 2. Immunity for the sponsor of a charter school under
324 subparagraph 1. applies only with respect to acts or omissions
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325 not under the sponsor's direct authority as described in this
326 section.

327 3. ~~Nothing contained in~~ This paragraph does not waive
328 ~~shall be considered a waiver of sovereign immunity by a district~~
329 school board's sovereign immunity ~~board~~.

330 4. A community college may work with the school district
331 or school districts in its designated service area to develop
332 charter schools that offer secondary education. These charter
333 schools must include an option for students to receive an
334 associate degree upon high school graduation. District school
335 boards shall cooperate with and assist the community college on
336 the charter application. Community college applications for
337 charter schools are not subject to the time deadlines outlined
338 in subsection (6) and may be approved by the district school
339 board at any time during the year. Community colleges may ~~shall~~
340 not report FTE for any students who receive FTE funding through
341 the Florida Education Finance Program.

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

344 (a) A person or entity wishing to open a charter school
345 shall prepare and submit an application on a model application
346 form prepared by the Department of Education which ~~that~~:

347 1. Demonstrates how the school will use the guiding
348 principles and meet the statutorily defined purpose of a charter
349 school.

350 2. Provides a detailed curriculum plan that illustrates
351 how students will be provided services to attain the Sunshine
352 State Standards.

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353 3. Contains goals and objectives for improving student
354 learning and measuring that improvement. These goals and
355 objectives must indicate how much academic improvement students
356 are expected to show each year, how success will be evaluated,
357 and the specific results to be attained through instruction.

358 4. Describes the reading curriculum and differentiated
359 strategies that will be used for students reading at grade level
360 or higher and a separate curriculum and strategies for students
361 who are reading below grade level. A sponsor shall deny a
362 charter if the school does not propose a reading curriculum that
363 is consistent with effective teaching strategies that are
364 grounded in scientifically based reading research.

365 5. Contains an annual financial plan for each year
366 requested by the charter for operation of the school for up to 5
367 years. This plan must contain anticipated fund balances based on
368 revenue projections, a spending plan based on projected revenues
369 and expenses, and a description of controls that will safeguard
370 finances and projected enrollment trends.

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

375 (b) A sponsor shall receive and review all applications
376 for a charter school using an evaluation instrument developed by
377 the Department of Education. A sponsor may require an applicant
378 to provide additional information as an addendum to this
379 evaluation instrument. Beginning with the 2007-2008 school year,
380 a sponsor shall receive and consider charter school applications

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381 received on or before August 1 of each calendar year for charter
382 schools to be opened at the beginning of the school district's
383 next school year, or to be opened at a time agreed to by the
384 applicant and the sponsor. A sponsor may receive applications
385 later than this date if it chooses. A sponsor may not charge an
386 applicant for a charter any fee for the processing or
387 consideration of an application, and a sponsor may not base its
388 consideration or approval of an application upon the promise of
389 future payment of any kind.

390 1. In order to facilitate an accurate budget projection
391 process, a sponsor shall be held harmless for FTE students who
392 are not included in the FTE projection due to approval of
393 charter school applications after the FTE projection deadline.
394 In a further effort to facilitate an accurate budget projection,
395 within 15 calendar days after receipt of a charter school
396 application, a sponsor shall report to the Department of
397 Education the name of the applicant entity, the proposed charter
398 school location, and its projected FTE.

399 2. In order to ensure fiscal responsibility, an
400 application for a charter school shall include a full accounting
401 of expected assets, a projection of expected sources and amounts
402 of income, including income derived from projected student
403 enrollments and from community support, and an expense
404 projection that includes full accounting of the costs of
405 operation, including start-up costs.

406 3. A sponsor shall by a majority vote approve or deny an
407 application no later than 60 calendar days after the application
408 is received, unless the sponsor and the applicant mutually agree
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409 in writing to temporarily postpone the vote to a specific date,
410 at which time the sponsor shall by a majority vote approve or
411 deny the application. If the sponsor fails to act on the
412 application, an applicant may appeal to the State Board of
413 Education as provided in paragraph (c). If an application is
414 denied, the sponsor shall, within 10 calendar days after such
415 denial, articulate in writing the specific reasons, based upon
416 good cause, supporting its denial of the charter application and
417 shall provide the letter of denial and supporting documentation
418 to the applicant and to the Department of Education supporting
419 those reasons.

420 4. For budget projection purposes, the sponsor shall
421 report to the Department of Education the approval or denial of
422 a charter application within 10 calendar days after such
423 approval or denial. In the event of approval, the report to the
424 Department of Education shall include the final projected FTE
425 for the approved charter school.

426 5. Upon approval of a charter application, the initial
427 startup shall commence with the beginning of the public school
428 calendar for the district in which the charter is granted unless
429 the sponsor allows a waiver of this subparagraph ~~provision~~ for
430 good cause.

431 (g)1. The Department of Education shall offer or arrange
432 for training and technical assistance to charter school
433 applicants in developing business plans and estimating costs and
434 income. This assistance shall address estimating startup costs,
435 projecting enrollment, and identifying the types and amounts of
436 state and federal financial assistance the charter school may

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437 ~~will~~ be eligible to receive. The department may provide other
438 technical assistance to an applicant upon written request.

439 2. A charter school applicant must participate in the
440 training provided by the Department of Education before filing
441 an application. However, a sponsor may require the charter
442 school applicant to attend training provided by the sponsor in
443 lieu of the department's training if the sponsor's training
444 standards meet or exceed the standards developed by the
445 Department of Education. The training shall include instruction
446 in accurate financial planning and good business practices. The
447 charter school principal, if he or she has been hired, and a
448 qualified representative of any management company or nonprofit
449 organization must also participate in the training if the
450 applicant intends to contract with such entity as part of its
451 application.

452 (7) CHARTER.--The major issues involving the operation of
453 a charter school shall be considered in advance and written into
454 the charter. The charter shall be signed by the governing body
455 of the charter school and the sponsor, following a public
456 hearing to ensure community input.

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

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

461 2. The focus of the curriculum, the instructional methods
462 to be used, any distinctive instructional techniques to be
463 employed, and identification and acquisition of appropriate
464 technologies needed to improve educational and administrative
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465 performance which include a means for promoting safe, ethical,
466 and appropriate uses of technology which comply with legal and
467 professional standards. The charter shall ensure that reading is
468 a primary focus of the curriculum and that resources are
469 provided to identify and provide specialized instruction for
470 students who are reading below grade level. The curriculum and
471 instructional strategies for reading must be consistent with the
472 Sunshine State Standards and grounded in scientifically based
473 reading research.

474 3. The current incoming baseline standard of student
475 academic achievement, the outcomes to be achieved, and the
476 method of measurement that will be used. The criteria listed in
477 this subparagraph shall include a detailed description ~~for each~~
478 ~~of the following:~~

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

481 b. How these baseline rates will be compared to rates of
482 academic progress achieved by these same students while
483 attending the charter school.

484 c. To the extent possible, how these rates of progress
485 will be evaluated and compared with rates of progress of other
486 closely comparable student populations.

487
488 The district school board is required to provide academic
489 student performance data to charter schools for each of their
490 students coming from the district school system, as well as
491 rates of academic progress of comparable student populations in
492 the district school system.

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493 4. The methods used to identify the educational strengths
494 and needs of students and how well educational goals and
495 performance standards are met by students attending the charter
496 school. ~~Included in~~ The methods shall provide ~~is~~ a means for the
497 charter school to ensure accountability to its constituents by
498 analyzing student performance data and by evaluating the
499 effectiveness and efficiency of its major educational programs.
500 Students in charter schools shall, at a minimum, participate in
501 the statewide assessment program created under s. 1008.22.

502 5. In secondary charter schools, a method for determining
503 that a student has satisfied the requirements for graduation in
504 s. 1003.428, s. 1003.429, or s. 1003.43.

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

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

509 8. The ways by which the school will achieve a
510 racial/ethnic balance reflective of the community it serves or
511 within the racial/ethnic range of other public schools in the
512 same school district.

513 9. The financial and administrative management of the
514 school, including a reasonable demonstration of the professional
515 experience or competence of those individuals or organizations
516 applying to operate the charter school or those hired or
517 retained to perform such professional services and the
518 description of clearly delineated responsibilities and the
519 policies and practices needed to effectively manage the charter
520 school. A description of internal audit procedures and

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521 establishment of controls to ensure that financial resources are
522 properly managed must be included. Both public sector and
523 private sector professional experience shall be equally valid in
524 such a consideration.

525 10. The asset and liability projections required in the
526 application which are incorporated into the charter and which
527 shall be compared with information provided in the annual report
528 of the charter school. ~~The charter shall ensure that, if a~~
529 ~~charter school internal audit or annual financial audit reveals~~
530 ~~a state of financial emergency as defined in s. 218.503 or~~
531 ~~deficit financial position, the auditors are required to notify~~
532 ~~the charter school governing board, the sponsor, and the~~
533 ~~Department of Education. The internal auditor shall report such~~
534 ~~findings in the form of an exit interview to the principal or~~
535 ~~the principal administrator of the charter school and the chair~~
536 ~~of the governing board within 7 working days after finding the~~
537 ~~state of financial emergency or deficit position. A final report~~
538 ~~shall be provided to the entire governing board, the sponsor,~~
539 ~~and the Department of Education within 14 working days after the~~
540 ~~exit interview. When a charter school is in a state of financial~~
541 ~~emergency, the charter school shall file a detailed financial~~
542 ~~recovery plan with the sponsor. The department, with the~~
543 ~~involvement of both sponsors and charter schools, shall~~
544 ~~establish guidelines for developing such plans.~~

545 11. A description of procedures that identify various
546 risks and provide for a comprehensive approach to reduce the
547 impact of losses; plans to ensure the safety and security of
548 students and staff; plans to identify, minimize, and protect
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549 others from violent or disruptive student behavior; and the
550 manner in which the school will be insured, including whether or
551 not the school will be required to have liability insurance,
552 and, if so, the terms and conditions thereof and the amounts of
553 coverage.

554 12. The term of the charter which shall provide for
555 cancellation of the charter if insufficient progress has been
556 made in attaining the student achievement objectives of the
557 charter and if it is not likely that such objectives can be
558 achieved before expiration of the charter. The initial term of a
559 charter shall be for 4 or 5 years. In order to facilitate access
560 to long-term financial resources for charter school
561 construction, charter schools that are operated by a
562 municipality or other public entity as provided by law are
563 eligible for up to a 15-year charter, subject to approval by the
564 district school board. A charter lab school is eligible for a
565 charter for a term of up to 15 years. In addition, to facilitate
566 access to long-term financial resources for charter school
567 construction, charter schools that are operated by a private,
568 not-for-profit, s. 501(c)(3) status corporation are eligible for
569 up to a 15-year charter, subject to approval by the district
570 school board. Such long-term charters remain subject to annual
571 review and may be terminated during the term of the charter, but
572 only according to the provisions set forth in subsection (8).

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

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

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

580 16. A timetable for implementing the charter which
581 addresses the implementation of each element thereof and the
582 date by which the charter shall be awarded in order to meet this
583 timetable.

584 17. In the case of an existing public school that is being
585 converted to charter status, alternative arrangements for
586 current students who choose not to attend the charter school and
587 for current teachers who choose not to teach in the charter
588 school after conversion in accordance with the existing
589 collective bargaining agreement or district school board rule in
590 the absence of a collective bargaining agreement. However,
591 alternative arrangements shall not be required for current
592 teachers who choose not to teach in a charter lab school, except
593 as authorized by the employment policies of the state university
594 which grants the charter to the lab school.

595 18. Full disclosure of the identity of all relatives
596 employed by the charter school who are related to the charter
597 school owner, president, chair of the governing board of
598 directors, superintendent, governing board member, principal,
599 assistant principal, or any other person employed by the charter
600 school who has equivalent decisionmaking authority. For the
601 purpose of this subparagraph, the term "relative" means father,
602 mother, son, daughter, brother, sister, uncle, aunt, first
603 cousin, nephew, niece, husband, wife, father-in-law, mother-in-
604 law, son-in-law, daughter-in-law, brother-in-law, sister-in-law,

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605 stepfather, stepmother, stepson, stepdaughter, stepbrother,
606 stepsister, half brother, or half sister.

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

608 (a)1. The sponsor may choose not to renew or may terminate
609 the charter for any of the following grounds:

610 a.1. Failure to participate in the state's education
611 accountability system created in s. 1008.31, as required in this
612 section, or failure to meet the requirements for student
613 performance stated in the charter.

614 b.2. Failure to meet generally accepted standards of
615 fiscal management.

616 c.3. Violation of law.

617 2. The sponsor may show other good cause not to renew or
618 to terminate a charter to the Commissioner of Education who may
619 terminate the charter on this basis.

620 ~~4. Other good cause shown.~~

621 (d) A charter may be terminated immediately if the sponsor
622 determines that good cause has been shown or if the health,
623 safety, or welfare of the students is threatened. The sponsor's
624 determination is not subject to an informal hearing under
625 paragraph (b) or pursuant to chapter 120. The sponsor shall
626 notify in writing the charter school's governing body, the
627 charter school principal, and the department if a charter is
628 immediately terminated. The sponsor shall clearly identify the
629 specific issues that resulted in the immediate termination and
630 provide evidence of prior notification of issues resulting in
631 the immediate termination when appropriate. The school district
632 in which the charter school is located shall assume operation of
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633 the school under these circumstances. The charter school's
634 governing board may, within 30 days after receiving the
635 sponsor's decision to terminate the charter, appeal the decision
636 pursuant to the procedure established in subsection (6).

637 (9) CHARTER SCHOOL REQUIREMENTS.--

638 ~~(g) A charter school shall provide for an annual financial~~
639 ~~audit in accordance with s. 218.39. Financial audits that reveal~~
640 ~~a state of financial emergency as defined in s. 218.503 and are~~
641 ~~conducted by a certified public accountant or auditor in~~
642 ~~accordance with s. 218.39 shall be provided to the governing~~
643 ~~body of the charter school within 7 working days after finding~~
644 ~~that a state of financial emergency exists. When a charter~~
645 ~~school is found to be in a state of financial emergency by a~~
646 ~~certified public accountant or auditor, the charter school must~~
647 ~~file a detailed financial recovery plan with the sponsor within~~
648 ~~30 days after receipt of the audit.~~

649 ~~(g)(h)~~ In order to provide financial information that is
650 comparable to that reported for other public schools, charter
651 schools are to maintain all financial records that which
652 constitute their accounting system:

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

657 2. At the discretion of the charter school governing
658 board, a charter school may elect to follow generally accepted
659 accounting standards for not-for-profit organizations, but must
660 reformat this information for reporting according to this

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661 paragraph.

662

663 Charter schools shall provide annual financial report and
664 program cost report information in the state-required formats
665 for inclusion in district reporting in compliance with s.
666 1011.60(1). Charter schools that are operated by a municipality
667 or are a component unit of a parent nonprofit organization may
668 use the accounting system of the municipality or the parent but
669 must reformat this information for reporting according to this
670 paragraph. A charter school shall provide a monthly financial
671 statement to the sponsor during their initial contract. Upon
672 renewal of the charter or at the request of the sponsor, a
673 charter school shall provide the financial statement to the
674 sponsor on a quarterly basis. The content and form of the
675 monthly financial statement shall be prescribed by the
676 Department of Education.

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

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

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

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

687 2. Reviewing and approving the audit report, including
688 audit findings and recommendations for the financial recovery
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689 plan.

690 3.a. Performing the duties in s. 1002.345, including
691 monitoring a corrective action plan.

692 b. Monitoring a financial recovery plan in order to ensure
693 compliance.

694 4. Participating in governance training approved by the
695 department which ~~that~~ must include government in the sunshine,
696 conflicts of interest, ethics, and financial responsibility.
697 Members of the governing body shall not be required to attend
698 governance training more than once. New members are required to
699 participate in the training within 6 months after beginning
700 their role as a governing board member.

701 (k)-(l) The governing body of the charter school shall
702 report its progress annually to its sponsor, which shall forward
703 the report to the Commissioner of Education at the same time as
704 other annual school accountability reports. The Department of
705 Education shall develop a uniform, online annual accountability
706 report to be completed by charter schools. This report shall be
707 easy to utilize and contain demographic information, student
708 performance data, and financial accountability information. A
709 charter school shall not be required to provide information and
710 data that is duplicative and already in the possession of the
711 department. The Department of Education shall include in its
712 compilation a notation if a school failed to file its report by
713 the deadline established by the department. The report shall
714 include at least the following components:

715 1. Student achievement performance data, including the
716 information required for the annual school report and the

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717 education accountability system governed by ss. 1008.31 and
718 1008.345. Charter schools are subject to the same accountability
719 requirements as other public schools, including reports of
720 student achievement information that links baseline student data
721 to the school's performance projections identified in the
722 charter. The charter school shall identify reasons for any
723 difference between projected and actual student performance.

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

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

731 4. Descriptive information about the charter school's
732 personnel, including salary and benefit levels of charter school
733 employees, the proportion of instructional personnel who hold
734 professional or temporary certificates, and the proportion of
735 instructional personnel teaching in-field or out-of-field.

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

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

741 (n)~~(o)~~ The director and a representative of the governing
742 body of a charter school that has received a school grade of "D"
743 under s. 1008.34(2) shall appear before the sponsor or the
744 sponsor's staff at least once a year to present information

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745 concerning each contract component having noted deficiencies.
746 The sponsor shall communicate at the meeting, and in writing to
747 the director, the services provided to the school to help the
748 school address its deficiencies.

749 ~~(o)~~ Upon notification that a charter school receives a
750 school grade of "D" for 2 consecutive years or a school grade of
751 "F" under s. 1008.34(2), the charter school sponsor or the
752 sponsor's staff shall require the director and a representative
753 of the governing body to submit to the sponsor for approval a
754 school improvement plan to raise student achievement and to
755 implement the plan. The sponsor has the authority to approve a
756 school improvement plan that the charter school will implement
757 in the following school year. The sponsor may also consider the
758 State Board of Education's recommended action pursuant to s.
759 1008.33(1) as part of the school improvement plan. The
760 Department of Education shall offer technical assistance and
761 training to the charter school and its governing body and
762 establish guidelines for developing, submitting, and approving
763 such plans.

764 1. If the charter school fails to improve its student
765 performance from the year immediately prior to the
766 implementation of the school improvement plan, the sponsor shall
767 place the charter school on probation and shall require the
768 charter school governing body to take one of the following
769 corrective actions:

770 a. Contract for the educational services of the charter
771 school;

772 b. Reorganize the school at the end of the school year
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773 under a new director or principal who is authorized to hire new
774 staff and implement a plan that addresses the causes of
775 inadequate progress; or

776 c. Reconstitute the charter school.

777 2. A charter school that is placed on probation shall
778 continue the corrective actions required under subparagraph 1.
779 until the charter school improves its student performance from
780 the year prior to the implementation of the school improvement
781 plan.

782 3. Notwithstanding any provision of this paragraph, the
783 sponsor may terminate the charter at any time pursuant to ~~the~~
784 ~~provisions of~~ subsection (8).

785 ~~(p) (q)~~ The director and a representative of the governing
786 body of a graded charter school that has submitted a school
787 improvement plan or has been placed on probation under paragraph
788 ~~(o) (p)~~ shall appear before the sponsor or the sponsor's staff
789 at least once a year to present information regarding the
790 corrective strategies that are being implemented by the school
791 pursuant to the school improvement plan. The sponsor shall
792 communicate at the meeting, and in writing to the director, the
793 services provided to the school to help the school address its
794 deficiencies.

795 (10) ELIGIBLE STUDENTS.--

796 (d) A charter school may give enrollment preference to the
797 following student populations:

798 1. Students who are siblings of a student enrolled in the
799 charter school.

800 2. Students who are the children of a member of the
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801 governing board of the charter school.

802 3. Students who are the children of an employee of the
803 charter school.

804 (16) EXEMPTION FROM STATUTES.--

805 (a) A charter school shall operate in accordance with its
806 charter and shall be exempt from all statutes in chapters 1000-
807 1013. However, a charter school shall be in compliance with the
808 following statutes in chapters 1000-1013:

809 1. Those statutes specifically applying to charter
810 schools, including this section.

811 2. Those statutes pertaining to the student assessment
812 program and school grading system.

813 3. Those statutes pertaining to the provision of services
814 to students with disabilities.

815 4. Those statutes pertaining to civil rights, including s.
816 1000.05, relating to discrimination.

817 5. Those statutes pertaining to student health, safety,
818 and welfare.

819 6. Those statutes pertaining to the constitutional class
820 size maximums pursuant to s. 1, Art. IX of the State
821 Constitution, including s. 1003.03.

822 (b) Additionally, a charter school shall be in compliance
823 with the following statutes:

824 1. Section 286.011, relating to public meetings and
825 records, public inspection, and criminal and civil penalties.

826 2. Chapter 119, relating to public records.

827 (20) SERVICES.--

828 (a)1. A sponsor shall provide certain administrative and
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829 educational services to charter schools. These services shall
830 include contract management services; full-time equivalent and
831 data reporting services; exceptional student education
832 administration services; services related to eligibility and
833 reporting duties required to ensure that school lunch services
834 under the federal lunch program, consistent with the needs of
835 the charter school, are provided by the school district at the
836 request of the charter school; test administration services,
837 including payment of the costs of state-required or district-
838 required student assessments; processing of teacher certificate
839 data services; and information services, including equal access
840 to student information systems that are used by public schools
841 in the district in which the charter school is located. Student
842 performance data for each student in a charter school,
843 including, but not limited to, FCAT scores, standardized test
844 scores, previous public school student report cards, and student
845 performance measures, shall be provided by the sponsor to a
846 charter school in the same manner provided to other public
847 schools in the district.

848 2. A total administrative fee for the provision of ~~such~~
849 services under subparagraph 1. shall be calculated based upon up
850 to 5 percent of the available funds defined in paragraph (17)(b)
851 for all students. However, a sponsor may only withhold up to a
852 5-percent administrative fee for enrollment for up to and
853 including 500 students. For charter schools with a population of
854 501 or more students, the difference between the total
855 administrative fee calculation and the amount of the
856 administrative fee withheld may only be used for capital outlay

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857 purposes specified in s. 1013.62(2). Each charter school shall
858 receive 100 percent of the funds awarded to that school pursuant
859 to s. 1012.225. Sponsors shall not charge charter schools any
860 additional fees or surcharges for administrative and educational
861 services in addition to the maximum 5-percent administrative fee
862 withheld pursuant to this subparagraph ~~paragraph~~.

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

864 (a) The Department of Education shall provide information
865 to the public, directly and through sponsors, ~~both~~ on how to
866 form and operate a charter school and ~~on~~ how to enroll in a
867 charter school ~~schools~~ once it is ~~they are~~ created. This
868 information shall include a standard application format, charter
869 format, evaluation instrument, and charter renewal format, which
870 shall include the information specified in subsection (7) and
871 shall be developed by consulting and negotiating with both
872 school districts and charter schools before implementation. The
873 charter and charter renewal ~~These~~ formats shall be used as
874 guidelines by charter school sponsors.

875 (b)1. The Department of Education shall report student
876 assessment data pursuant to s. 1008.34(3)(c) which is reported
877 to schools that receive a school grade or student assessment
878 data pursuant to s. 1008.341(3) which is reported to alternative
879 schools that receive a school improvement rating to each charter
880 school that:

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

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

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885 2. The charter school shall report the information in
886 subparagraph 1. to each parent of a student at the charter
887 school, the district in which the charter school is located, and
888 the governing board of the charter school. This paragraph does
889 not abrogate the provisions of s. 1002.22, relating to student
890 records, or the requirements of 20 U.S.C. s. 1232g, the Family
891 Educational Rights and Privacy Act.

892 3.a. Pursuant to this paragraph, the Department of
893 Education shall compare the charter school student performance
894 data for each charter school in subparagraph 1. with the student
895 performance data in traditional public schools in the district
896 in which the charter school is located and other charter schools
897 in the state with substantially similar demographics in
898 ethnicity, exceptional student education, English for Speakers
899 of Other Languages, and free and reduced-price lunch
900 populations. For alternative charter schools, the department
901 shall compare the student performance data described in this
902 paragraph with alternative schools in the state with
903 substantially similar demographics in ethnicity, exceptional
904 student education, English for Speakers of Other Languages, and
905 free and reduced-price lunch populations.

906 b. Each charter school shall provide the information
907 specified in this paragraph on its Internet website and also
908 provide notice to the public at large in a manner provided by
909 the rules of the State Board of Education. The State Board of
910 Education shall adopt rules to administer the notice
911 requirements of this subparagraph. The website shall include,
912 through links or actual content, other information related to

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913 school performance.

914 (23) ANALYSIS OF CHARTER SCHOOL PERFORMANCE.--Upon receipt
915 of the annual report required by paragraph (9) (k) ~~(9) (1)~~, the
916 Department of Education shall provide to the State Board of
917 Education, the Commissioner of Education, the Governor, the
918 President of the Senate, and the Speaker of the House of
919 Representatives an analysis and comparison of the overall
920 performance of charter school students, to include all students
921 whose scores are counted as part of the statewide assessment
922 program, versus comparable public school students in the
923 district as determined by the statewide assessment program
924 currently administered in the school district, and other
925 assessments administered pursuant to s. 1008.22(3).

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

927 (a) This subsection applies to charter school personnel in
928 a charter school operated by a private entity. Charter school
929 personnel in schools operated by a municipality or other public
930 entity are subject to s. 112.3135. As used in this subsection,
931 the term:

932 1. "Charter school personnel" means a charter school
933 owner, president, chair of the governing board of directors,
934 superintendent, governing board member, principal, assistant
935 principal, or any other person employed by the charter school
936 who has equivalent decisionmaking authority and in whom is
937 vested the authority, or to whom the authority has been
938 delegated, to appoint, employ, promote, or advance individuals
939 or to recommend individuals for appointment, employment,
940 promotion, or advancement in connection with employment in a

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941 charter school, including the authority as a member of a
942 governing board of a charter school to vote on the appointment,
943 employment, promotion, or advancement of individuals.

944 2. "Relative" means father, mother, son, daughter,
945 brother, sister, uncle, aunt, first cousin, nephew, niece,
946 husband, wife, father-in-law, mother-in-law, son-in-law,
947 daughter-in-law, brother-in-law, sister-in-law, stepfather,
948 stepmother, stepson, stepdaughter, stepbrother, stepsister, half
949 brother, or half sister.

950 (b)1. Charter school personnel may not knowingly recommend
951 or engage in the appointment, employment, promotion, or
952 advancement of an individual or employee into a position at a
953 work location if that action will create a situation in which
954 one employee will be responsible for the direct supervision of,
955 or exercise jurisdiction or control over, another employee who
956 is a relative.

957 2. The Commissioner of Education or the charter school's
958 sponsor may grant a waiver of subparagraph 1. if such
959 prohibition would cause an undue hardship to students or would
960 seriously disrupt a charter school's operations.

961 3. This paragraph does not prohibit the employment of
962 relatives at the same work location as long as subparagraph 1.
963 is not violated.

964 4. The approval of budgets does not constitute
965 "jurisdiction or control" for the purposes of this paragraph.

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

967 (a) A member of a governing board of a charter school,
968 including a charter school operated by a private entity, is

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969 subject to ss. 112.313(2), (3), (7), and (12) and 112.3143(3).

970 (b) A member of a governing board of a charter school
971 operated by a municipality or other public entity is subject to
972 s. 112.3144, which relates to the disclosure of financial
973 interests.

974 Section 8. Subsections (4) and (5), paragraphs (d) and (f)
975 of subsection (6), paragraph (c) of subsection (10), paragraph
976 (f) of subsection (11), and subsection (13) of section 1002.34,
977 Florida Statutes, are amended to read:

978 1002.34 Charter technical career centers.--

979 (4) CHARTER.--A sponsor may designate centers as provided
980 in this section. An application to establish a center may be
981 submitted by a sponsor or another organization that is
982 determined, by rule of the State Board of Education, to be
983 appropriate. However, an independent school is not eligible for
984 status as a center. The charter must be signed by the governing
985 body of the center and the sponsor, and must be approved by the
986 district school board and community college board of trustees in
987 whose geographic region the facility is located. If a charter
988 technical career center is established by the conversion to
989 charter status of a public technical center formerly governed by
990 a district school board, the charter status of that center takes
991 precedence in any question of governance. The governance of the
992 center or of any program within the center remains with its
993 board of directors unless the board agrees to a change in
994 governance or its charter is revoked as provided in subsection
995 (15). Such a conversion charter technical career center is not
996 affected by a change in the governance of public technical

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997 centers or of programs within other centers that are or have
998 been governed by district school boards. A charter technical
999 career center, or any program within such a center, that was
1000 governed by a district school board and transferred to a
1001 community college prior to the effective date of this act is not
1002 affected by this provision. An applicant who wishes to establish
1003 a center must submit to the district school board or community
1004 college board of trustees, or a consortium of one or more of
1005 each, an application on a form developed by the Department of
1006 Education which ~~that~~ includes:

1007 (a) The name of the proposed center.

1008 (b) The proposed structure of the center, including a list
1009 of proposed members of the board of directors or a description
1010 of the qualifications for and method of their appointment or
1011 election.

1012 (c) The workforce development goals of the center, the
1013 curriculum to be offered, and the outcomes and the methods of
1014 assessing the extent to which the outcomes are met.

1015 (d) The admissions policy and criteria for evaluating the
1016 admission of students.

1017 (e) A description of the staff responsibilities and the
1018 proposed qualifications of the teaching staff.

1019 (f) A description of the procedures to be implemented to
1020 ensure significant involvement of representatives of business
1021 and industry in the operation of the center.

1022 (g) A method for determining whether a student has
1023 satisfied the requirements for graduation specified in s.

1024 1003.43 and for completion of a postsecondary certificate or
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1025 degree.

1026 (h) A method for granting secondary and postsecondary
1027 diplomas, certificates, and degrees.

1028 (i) A description of and address for the physical facility
1029 in which the center will be located.

1030 (j) A method for ~~of~~ resolving conflicts between the
1031 governing body of the center and the sponsor and between
1032 consortium members, if applicable.

1033 (k) A method for reporting student data as required by law
1034 and rule.

1035 (l) A statement that the applicant has participated in the
1036 training provided by the Department of Education.

1037 (m) The identity of all relatives employed by the charter
1038 technical career center who are related to the center owner,
1039 president, chair of the governing board of directors,
1040 superintendent, governing board member, principal, assistant
1041 principal, or any other person employed by the center who has
1042 equivalent decisionmaking authority. As used in this paragraph,
1043 the term "relative" means father, mother, son, daughter,
1044 brother, sister, uncle, aunt, first cousin, nephew, niece,
1045 husband, wife, father-in-law, mother-in-law, son-in-law,
1046 daughter-in-law, brother-in-law, sister-in-law, stepfather,
1047 stepmother, stepson, stepdaughter, stepbrother, stepsister, half
1048 brother, or half sister.

1049 (n)~~(l)~~ Other information required by the district school
1050 board or community college board of trustees.

1051
1052 Students at a center must meet the same testing and academic
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1053 performance standards as those established by law and rule for
1054 students at public schools and public technical centers. The
1055 students must also meet any additional assessment indicators
1056 that are included within the charter approved by the district
1057 school board or community college board of trustees.

1058 (5) APPLICATION.--An application to establish a center
1059 must be submitted by February 1 of the year preceding the school
1060 year in which the center will begin operation. The sponsor must
1061 review the application using an evaluation instrument developed
1062 by the Department of Education and make a final decision on
1063 whether to approve the application and grant the charter by
1064 March 1, and may condition the granting of a charter on the
1065 center's taking certain actions or maintaining certain
1066 conditions. Such actions and conditions must be provided to the
1067 applicant in writing. The district school board or community
1068 college board of trustees is not required to issue a charter to
1069 any person.

1070 (6) SPONSOR.--A district school board or community college
1071 board of trustees or a consortium of one or more of each may
1072 sponsor a center in the county in which the board has
1073 jurisdiction.

1074 (d)1. The Department of Education shall offer or arrange
1075 for training and technical assistance to applicants in
1076 developing business plans and estimating costs and income. This
1077 assistance shall address estimating startup costs, projecting
1078 enrollment, and identifying the types and amounts of state and
1079 federal financial assistance the center may be eligible to
1080 receive. The training shall include instruction in accurate

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1081 financial planning and good business practices.

1082 2. An applicant must participate in the training provided
1083 by the Department of Education before filing an application. The
1084 Department of Education may provide technical assistance to an
1085 applicant upon written request.

1086 (f) The sponsor shall monitor and review the center's
1087 progress toward charter goals and shall monitor the center's
1088 revenues and expenditures. The sponsor shall perform the duties
1089 provided in s. 1002.345.

1090 (10) EXEMPTION FROM STATUTES.--

1091 (c) A center must comply with the antidiscrimination
1092 provisions in ~~of~~ s. 1000.05 and the provisions in s. 1002.33(24)
1093 which relate to the employment of relatives.

1094 (11) FUNDING.--

1095 (f) A center shall provide for an annual financial audit
1096 in accordance with s. 218.39. A center shall provide a monthly
1097 financial statement to the sponsor. The content and form of the
1098 monthly financial statement shall be prescribed by the
1099 Department of Education.

1100 (13) BOARD OF DIRECTORS AUTHORITY.--The board of directors
1101 of a center may decide matters relating to the operation of the
1102 school, including budgeting, curriculum, and operating
1103 procedures, subject to the center's charter. The board of
1104 directors is responsible for performing the duties provided in
1105 s. 1002.345, including monitoring the corrective action plan.
1106 The board of directors must comply with s. 1002.33(25).

1107 Section 9. Section 1002.345, Florida Statutes, is created
1108 to read:

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1109 1002.345 Determination of deteriorating financial
1110 conditions and financial emergencies for charter schools and
1111 charter technical career centers.--This section applies to
1112 charter schools operating pursuant to s. 1002.33 and to charter
1113 technical career centers operating pursuant to s. 1002.34.

1114 (1) EXPEDITED REVIEW; REQUIREMENTS.--

1115 (a) A charter school or a charter technical career center
1116 is subject to an expedited review by the sponsor if one of the
1117 following occurs:

1118 1. Failure to provide for an audit required by s. 218.39.

1119 2. Failure to comply with reporting requirements pursuant
1120 to s. 1002.33(9) or s. 1002.34(11) (f) or (14).

1121 3. A deteriorating financial condition identified through
1122 an annual audit pursuant to s. 218.39(5) or a monthly financial
1123 statement pursuant to s. 1002.33(9) (g) or s. 1002.34(11) (f).

1124 "Deteriorating financial condition" means a circumstance that
1125 significantly impairs the ability of a charter school or a
1126 charter technical career center to generate enough revenues to
1127 meet its expenditures without causing the occurrence of a
1128 condition described in s. 218.503(1).

1129 4. Notification pursuant to s. 218.503(2) that one or more
1130 of the conditions specified in s. 218.503(1) have occurred or
1131 will occur if action is not taken to assist the charter school
1132 or charter technical career center.

1133 (b) A sponsor shall notify the governing board within 7
1134 business days after one or more of the conditions specified in
1135 paragraph (a) occur.

1136 (c) The governing board and the sponsor shall develop a
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1137 corrective action plan and file the plan with the Commissioner
1138 of Education within 30 business days after notification is
1139 received as provided in paragraph (b). If the governing board
1140 and the sponsor are unable to agree on a corrective action plan,
1141 the Commissioner of Education shall determine the components of
1142 the plan. The governing board shall implement such plan.

1143 (d) The governing board shall include the corrective
1144 action plan and the status of its implementation in the annual
1145 progress report to the sponsor which is required pursuant to s.
1146 1002.33(9)(k) or s. 1002.34(14).

1147 (e) If the governing board fails to implement the
1148 corrective action plan within 1 year after one or more of the
1149 conditions specified in paragraph (a) occur, the State Board of
1150 Education shall prescribe any steps necessary for the charter
1151 school or the charter technical career center to comply with
1152 state requirements.

1153 (f) The chair of the governing board shall annually appear
1154 before the State Board of Education and report on the
1155 implementation of the State Board of Education's requirements
1156 under paragraph (e).

1157 (2) FINANCIAL EMERGENCY; REQUIREMENTS.--

1158 (a)1. If a financial audit conducted by a certified public
1159 accountant in accordance with s. 218.39 reveals that one or more
1160 of the conditions in s. 218.503(1) have occurred or will occur
1161 if action is not taken to assist the charter school or charter
1162 technical career center, the auditor shall notify the governing
1163 board of the charter school or charter technical career center,
1164 as appropriate, the sponsor, and the Commissioner of Education

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1165 within 7 business days after the finding is made.

1166 2. If the charter school or charter technical career
1167 center is found to be in a state of financial emergency pursuant
1168 to s. 218.503(4), the charter school or charter technical career
1169 center shall file a financial recovery plan pursuant to s.
1170 218.503 with the sponsor and the Commissioner of Education
1171 within 30 days after being notified by the Commissioner of
1172 Education that a financial recovery plan is needed.

1173 (b) The governing board shall include the financial
1174 recovery plan and the status of its implementation in the annual
1175 progress report to the sponsor which is required under s.
1176 1002.33(9)(k) or s. 1002.34(14).

1177 (3) REPORT.--The Commissioner of Education shall annually
1178 report to the State Board of Education each charter school and
1179 charter technical career center that is subject to a financial
1180 recovery plan or a corrective action plan under this section.

1181 (4) RULES.--The State Board of Education shall adopt rules
1182 for developing financial recovery and corrective action plans,
1183 defining a deteriorating financial condition pursuant to
1184 subparagraph (1)(a)3., and establishing procedures for
1185 determining a deteriorating financial condition pursuant to
1186 subparagraph (1)(a)3. and s. 218.39(5). In adopting the rules,
1187 the State Board of Education may obtain technical assistance
1188 from the Auditor General.

1189 (5) TECHNICAL ASSISTANCE.--The Department of Education
1190 shall provide technical assistance to charter schools, charter
1191 technical career centers, governing boards, and sponsors in
1192 developing financial recovery and corrective action plans.

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1193 (6) FAILURE TO CORRECT DEFICIENCIES.--The sponsor may
1194 decide not to renew or may terminate a charter if the charter
1195 school or charter technical career center fails to correct the
1196 deficiencies noted in the corrective action plan within 1 year
1197 after being notified of the deficiencies or exhibits one or more
1198 financial emergency conditions specified in s. 218.503 for 2
1199 consecutive years. This subsection does not affect a sponsor's
1200 authority to terminate or not renew a charter pursuant to s.
1201 1002.33(8).

1202 Section 10. Subsection (2) of section 1013.62, Florida
1203 Statutes, is amended to read:

1204 1013.62 Charter schools capital outlay funding.--

1205 (2) A charter school's governing body may use charter
1206 school capital outlay funds for the following purposes:

1207 (a) Purchase of real property.

1208 (b) Construction of school facilities.

1209 (c) Purchase, lease-purchase, or lease of permanent or
1210 relocatable school facilities.

1211 (d) Purchase of vehicles to transport students to and from
1212 the charter school.

1213 (e) Renovation, repair, and maintenance of school
1214 facilities that the charter school owns or is purchasing through
1215 a lease-purchase or long-term lease of 5 years or longer.

1216 (f) Purchase, lease-purchase, or lease of new and
1217 replacement equipment.

1218 (g) Payment of the cost of premiums for property and
1219 casualty insurance necessary to insure the school.

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1221 Conversion charter schools may use capital outlay funds received
1222 through the reduction in the administrative fee provided in s.
1223 1002.33(20) for renovation, repair, and maintenance of school
1224 facilities that are owned by the sponsor.

1225 Section 11. This act shall take effect July 1, 2009.
1226
1227

1228 -----
1229 **T I T L E A M E N D M E N T**

1230 Remove the entire title and insert:

1231 A bill to be entitled

1232 An act relating to charter schools; amending ss. 11.45,
1233 218.39, 218.50, and 218.501, F.S., relating to audit
1234 reports by the Auditor General and local financial
1235 management; conforming provisions to changes made by the
1236 act; amending ss. 218.503 and 218.504, F.S.; providing
1237 that a charter technical career center is subject to
1238 certain requirements in a financial emergency; requiring
1239 certain notification when specified conditions have
1240 occurred or will occur if action is not taken; authorizing
1241 the Commissioner of Education to require and approve a
1242 financial recovery plan; amending s. 1002.33, F.S.;
1243 providing for duties of a charter school sponsor and
1244 governing board if a charter school experiences a
1245 deteriorating financial condition or is in a financial
1246 emergency; prohibiting a sponsor from denying a charter
1247 for specified reasons; requiring use of an application
1248 form and an evaluation instrument; requiring applicant

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1249 training and documentation; updating cross-references
1250 relating to high school graduation requirements;
1251 conforming provisions relating to financial audits;
1252 requiring charter schools to disclose the identity of
1253 relatives of charter school personnel; authorizing the
1254 Commissioner of Education to terminate a charter for good
1255 cause; providing that the immediate termination of a
1256 charter is exempt from certain hearing requirements;
1257 requiring monthly financial statements; requiring that a
1258 charter school comply with constitutional limitations on
1259 class size; providing for the disclosure of the
1260 performance of a charter school that is not given a school
1261 grade or school improvement rating; requiring charter
1262 schools to provide student assessment data to the public;
1263 providing reporting requirements; providing restrictions
1264 on the employment of relatives; providing an exception;
1265 requiring that members of a charter school governing board
1266 follow certain standards of conduct and, under specified
1267 circumstances, file a disclosure of financial interests;
1268 amending s. 1002.34, F.S.; providing additional duties for
1269 charter technical career centers, applicants, sponsors,
1270 and governing boards; requiring use of an application form
1271 and an evaluation instrument; requiring applicant
1272 training; requiring charter technical career centers to
1273 disclose the identity of relatives of center personnel;
1274 providing duties of a sponsor if a charter technical
1275 career center experiences a deteriorating financial
1276 condition or is in a financial emergency; providing

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1277 restrictions on the employment of relatives; requiring
1278 monthly financial statements; requiring compliance with
1279 standards of conduct and disclosure of financial
1280 interests; creating s. 1002.345, F.S.; establishing
1281 criteria and requirements for charter schools and charter
1282 technical career centers that have a deteriorating
1283 financial condition or are in a state of financial
1284 emergency; establishing requirements for charter schools,
1285 charter technical career centers, governing boards, and
1286 sponsors; providing for corrective action and financial
1287 recovery plans; providing for duties of auditors, the
1288 Commissioner of Education, and the Department of
1289 Education; requiring the State Board of Education to adopt
1290 rules; providing grounds for termination or nonrenewal of
1291 a charter; amending s. 1013.62, F.S.; expanding purposes
1292 for which charter school capital outlay funds may be used;
1293 providing an effective date.