

HB 1005

2009

1 A bill to be entitled
2 An act relating to charter schools; amending ss. 11.45,
3 218.50, and 218.501, F.S., relating to audit reports by
4 the Auditor General; conforming provisions related to
5 changes in the entities subject to a state of financial
6 emergency; amending ss. 218.503 and 218.504, F.S.;
7 providing that charter technical career centers are
8 subject to certain requirements in the event of a
9 financial emergency; requiring that the sponsor be
10 notified of certain conditions; providing for the
11 development of a financial recovery plan, which may be
12 approved by the Commissioner of Education; amending s.
13 1002.33, F.S.; providing for duties of charter school
14 sponsors and governing boards when charter schools and
15 charter technical career centers experience a financial
16 weakness or a financial emergency; specifying forms to be
17 used by charter school applicants and sponsors; requiring
18 applicant training and documentation; deleting the
19 auditing requirements and financial emergency provisions
20 for charter schools; requiring charters schools to
21 disclose the identity of relatives of charter school
22 personnel; providing that the immediate termination of a
23 charter is exempt from requirements for an informal
24 hearing or for a hearing under ch. 120, F.S.; providing
25 for a limitation on funding; providing for the disclosure
26 of the performance of charter schools that are not given a
27 school grade or school improvement rating; revising the
28 requirements for providing information to the public on

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

57 | the Department of Education; requiring the State Board of
 58 | Education to adopt rules; providing grounds for
 59 | termination or nonrenewal of a charter; providing an
 60 | effective date.

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

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

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

67 | (7) AUDITOR GENERAL REPORTING REQUIREMENTS.--

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

HB 1005

2009

85 requested clarification, the Auditor General determines that the
 86 local governmental entity, charter school, charter technical
 87 career center, or district school board has met one or more of
 88 the conditions specified in s. 218.503, he or she shall notify
 89 the Governor or the Commissioner of Education, as appropriate,
 90 and the Legislative Auditing Committee.

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

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

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

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

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

HB 1005

2009

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

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

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

123 Section 4. Subsections (1), (2), and (4) of section
124 218.503, Florida Statutes, are amended to read:

125 218.503 Determination of financial emergency.--

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

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

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

139 (c) Failure to transfer at the appropriate time, due to

140 lack of funds:

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

142 2. Employer and employee contributions for:

143 a. Federal social security; or

144 b. Any pension, retirement, or benefit plan of an

145 employee.

146 (d) Failure for one pay period to pay, due to lack of

147 funds:

148 1. Wages and salaries owed to employees; or

149 2. Retirement benefits owed to former employees.

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

151 earnings deficit, or unrestricted or total net assets deficit,

152 as reported on the balance sheet or statement of net assets on

153 the general purpose or fund financial statements, for which

154 sufficient resources of the local governmental entity, as

155 reported on the balance sheet or statement of net assets on the

156 general purpose or fund financial statements, are not available

157 to cover the deficit. Resources available to cover reported

158 deficits include net assets that are not otherwise restricted by

159 federal, state, or local laws, bond covenants, contractual

160 agreements, or other legal constraints. Fixed or capital assets,

161 the disposal of which would impair the ability of a local

162 governmental entity to carry out its functions, are not

163 considered resources available to cover reported deficits.

164 (2) A local governmental entity shall notify the Governor

165 and the Legislative Auditing Committee, a charter school shall

166 notify the charter school sponsor and the Legislative Auditing

167 Committee, a charter technical career center shall notify the

168 | charter technical career center sponsor and the Legislative
 169 | Auditing Committee, and a district school board shall notify the
 170 | Commissioner of Education and the Legislative Auditing
 171 | Committee, when one or more of the conditions specified in
 172 | subsection (1) have occurred or will occur if action is not
 173 | taken to assist the local governmental entity, charter school,
 174 | charter school technical career center, or district school
 175 | board. In addition, any state agency must, within 30 days after
 176 | a determination that one or more of the conditions specified in
 177 | subsection (1) have occurred or will occur if action is not
 178 | taken to assist the local governmental entity, charter school,
 179 | charter school technical career center, or district school
 180 | board, notify the Governor, charter school sponsor, charter
 181 | school technical career center sponsor, or the Commissioner of
 182 | Education, as appropriate, and the Legislative Auditing
 183 | Committee.

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

HB 1005

2009

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

207 (c) The Commissioner of Education shall determine if the
208 charter school or charter technical career center needs a
209 financial recovery plan to resolve the condition. If the
210 Commissioner of Education determines that a financial recovery
211 plan is needed, the charter school or charter technical career
212 center is considered to be in a state of financial emergency.

213
214 The Department of Education, with the involvement of sponsors,
215 charter schools, and charter technical career centers, shall
216 establish guidelines for developing such plans.

217 Section 5. Section 218.504, Florida Statutes, is amended
218 to read:

219 218.504 Cessation of state action.--The Governor or the
220 Commissioner of Education, as appropriate, has the authority to
221 terminate all state actions pursuant to ss. 218.50-218.504.

222 Cessation of state action must not occur until the Governor or

HB 1005

2009

223 the Commissioner of Education, as appropriate, has determined
 224 that:

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

227 (a) Has established and is operating an effective
 228 financial accounting and reporting system.

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

230 (2) None of the conditions outlined in s. 218.503(1)
 231 exists.

232 Section 6. Paragraph (b) of subsection (5), paragraphs
 233 (a), (b), and (g) of subsection (6), paragraph (a) of subsection
 234 (7), paragraph (d) of subsection (8), paragraphs (g) through (q)
 235 of subsection (9), and subsections (17), (21), and (23) of
 236 section 1002.33, Florida Statutes, are amended, present
 237 subsection (24) of that section is redesignated as subsection
 238 (26), and a new subsections (24) and (25) are added to that
 239 section, to read:

240 1002.33 Charter schools.--

241 (5) SPONSOR; DUTIES.--

242 (b) Sponsor duties.--

243 1.a. The sponsor shall monitor and review the charter
 244 school in its progress toward the goals established in the
 245 charter.

246 b. The sponsor shall monitor the revenues and expenditures
 247 of the charter school and perform the duties provided for in s.
 248 1002.345.

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

251 | if the applicant indicates approval is necessary for it to raise
 252 | working funds.

253 | d. The sponsor's policies shall not apply to a charter
 254 | school unless mutually agreed to by both the sponsor and the
 255 | charter school.

256 | e. The sponsor shall ensure that the charter is innovative
 257 | and consistent with the state education goals established by s.
 258 | 1000.03(5).

259 | f. The sponsor shall ensure that the charter school
 260 | participates in the state's education accountability system. If
 261 | a charter school falls short of performance measures included in
 262 | the approved charter, the sponsor shall report such shortcomings
 263 | to the Department of Education.

264 | g. The sponsor shall not be liable for civil damages under
 265 | state law for personal injury, property damage, or death
 266 | resulting from an act or omission of an officer, employee,
 267 | agent, or governing body of the charter school.

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

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

273 | j. The sponsor shall not impose additional reporting
 274 | requirements on a charter school without providing reasonable
 275 | and specific justification in writing to the charter school.

276 | 2. Immunity for the sponsor of a charter school under
 277 | subparagraph 1. applies only with respect to acts or omissions

278 | not under the sponsor's direct authority as described in this
 279 | section.

280 | 3. Nothing contained in this paragraph shall be considered
 281 | a waiver of sovereign immunity by a district school board.

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

294 | (6) APPLICATION PROCESS AND REVIEW.--Charter school
 295 | applications are subject to the following requirements:

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

300 | 1. Demonstrates how the school will use the guiding
 301 | principles and meet the statutorily defined purpose of a charter
 302 | school.

303 | 2. Provides a detailed curriculum plan that illustrates
 304 | how students will be provided services to attain the Sunshine
 305 | State Standards.

306 3. Contains goals and objectives for improving student
307 learning and measuring that improvement. These goals and
308 objectives must indicate how much academic improvement students
309 are expected to show each year, how success will be evaluated,
310 and the specific results to be attained through instruction.

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

318 5. Contains an annual financial plan for each year
319 requested by the charter for operation of the school for up to 5
320 years. This plan must contain anticipated fund balances based on
321 revenue projections, a spending plan based on projected revenues
322 and expenses, and a description of controls that will safeguard
323 finances and projected enrollment trends.

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

328 (b) A sponsor shall receive and review all applications
329 for a charter school using an evaluation instrument developed by
330 the Department of Education. A sponsor may require an applicant
331 to provide additional information as an addendum to this
332 evaluation instrument. Beginning with the 2007-2008 school year,
333 a sponsor shall receive and consider charter school applications

HB 1005

2009

334 received on or before August 1 of each calendar year for charter
335 schools to be opened at the beginning of the school district's
336 next school year, or to be opened at a time agreed to by the
337 applicant and the sponsor. A sponsor may receive applications
338 later than this date if it chooses. A sponsor may not charge an
339 applicant for a charter any fee for the processing or
340 consideration of an application, and a sponsor may not base its
341 consideration or approval of an application upon the promise of
342 future payment of any kind.

343 1. In order to facilitate an accurate budget projection
344 process, a sponsor shall be held harmless for FTE students who
345 are not included in the FTE projection due to approval of
346 charter school applications after the FTE projection deadline.
347 In a further effort to facilitate an accurate budget projection,
348 within 15 calendar days after receipt of a charter school
349 application, a sponsor shall report to the Department of
350 Education the name of the applicant entity, the proposed charter
351 school location, and its projected FTE.

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

359 3. A sponsor shall by a majority vote approve or deny an
360 application no later than 60 calendar days after the application
361 is received, unless the sponsor and the applicant mutually agree

HB 1005

2009

362 in writing to temporarily postpone the vote to a specific date,
363 at which time the sponsor shall by a majority vote approve or
364 deny the application. If the sponsor fails to act on the
365 application, an applicant may appeal to the State Board of
366 Education as provided in paragraph (c). If an application is
367 denied, the sponsor shall, within 10 calendar days, articulate
368 in writing the specific reasons, based upon good cause,
369 supporting its denial of the charter application and shall
370 provide the letter of denial and supporting documentation to the
371 applicant and to the Department of Education supporting those
372 reasons.

373 4. For budget projection purposes, the sponsor shall
374 report to the Department of Education the approval or denial of
375 a charter application within 10 calendar days after such
376 approval or denial. In the event of approval, the report to the
377 Department of Education shall include the final projected FTE
378 for the approved charter school.

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

383 (g)1. The Department of Education shall offer or arrange
384 for training and technical assistance to charter school
385 applicants in developing business plans and estimating costs and
386 income. This assistance shall address estimating startup costs,
387 projecting enrollment, and identifying the types and amounts of
388 state and federal financial assistance the charter school will

389 be eligible to receive. The department may provide other
 390 technical assistance to an applicant upon written request.

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

403 (7) CHARTER.--The major issues involving the operation of
 404 a charter school shall be considered in advance and written into
 405 the charter. The charter shall be signed by the governing body
 406 of the charter school and the sponsor, following a public
 407 hearing to ensure community input.

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

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

412 2. The focus of the curriculum, the instructional methods
 413 to be used, any distinctive instructional techniques to be
 414 employed, and identification and acquisition of appropriate
 415 technologies needed to improve educational and administrative
 416 performance which include a means for promoting safe, ethical,

417 and appropriate uses of technology which comply with legal and
418 professional standards. The charter shall ensure that reading is
419 a primary focus of the curriculum and that resources are
420 provided to identify and provide specialized instruction for
421 students who are reading below grade level. The curriculum and
422 instructional strategies for reading must be consistent with the
423 Sunshine State Standards and grounded in scientifically based
424 reading research.

425 3. The current incoming baseline standard of student
426 academic achievement, the outcomes to be achieved, and the
427 method of measurement that will be used. The criteria listed in
428 this subparagraph shall include a detailed description for each
429 of the following:

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

432 b. How these baseline rates will be compared to rates of
433 academic progress achieved by these same students while
434 attending the charter school.

435 c. To the extent possible, how these rates of progress
436 will be evaluated and compared with rates of progress of other
437 closely comparable student populations.

438 The district school board is required to provide academic
439 student performance data to charter schools for each of their
440 students coming from the district school system, as well as
441 rates of academic progress of comparable student populations in
442 the district school system.

443 4. The methods used to identify the educational strengths
444 and needs of students and how well educational goals and

445 performance standards are met by students attending the charter
446 school. Included in the methods is a means for the charter
447 school to ensure accountability to its constituents by analyzing
448 student performance data and by evaluating the effectiveness and
449 efficiency of its major educational programs. Students in
450 charter schools shall, at a minimum, participate in the
451 statewide assessment program created under s. 1008.22.

452 5. In secondary charter schools, a method for determining
453 that a student has satisfied the requirements for graduation in
454 s. 1003.43.

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

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

459 8. The ways by which the school will achieve a
460 racial/ethnic balance reflective of the community it serves or
461 within the racial/ethnic range of other public schools in the
462 same school district.

463 9. The financial and administrative management of the
464 school, including a reasonable demonstration of the professional
465 experience or competence of those individuals or organizations
466 applying to operate the charter school or those hired or
467 retained to perform such professional services and the
468 description of clearly delineated responsibilities and the
469 policies and practices needed to effectively manage the charter
470 school. A description of internal audit procedures and
471 establishment of controls to ensure that financial resources are
472 properly managed must be included. Both public sector and

HB 1005

2009

473 private sector professional experience shall be equally valid in
474 such a consideration.

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

495 11. A description of procedures that identify various
496 risks and provide for a comprehensive approach to reduce the
497 impact of losses; plans to ensure the safety and security of
498 students and staff; plans to identify, minimize, and protect
499 others from violent or disruptive student behavior; and the
500 manner in which the school will be insured, including whether or

HB 1005

2009

501 not the school will be required to have liability insurance,
502 and, if so, the terms and conditions thereof and the amounts of
503 coverage.

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

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

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

HB 1005

2009

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

530 16. A timetable for implementing the charter which
531 addresses the implementation of each element thereof and the
532 date by which the charter shall be awarded in order to meet this
533 timetable.

534 17. In the case of an existing public school being
535 converted to charter status, alternative arrangements for
536 current students who choose not to attend the charter school and
537 for current teachers who choose not to teach in the charter
538 school after conversion in accordance with the existing
539 collective bargaining agreement or district school board rule in
540 the absence of a collective bargaining agreement. However,
541 alternative arrangements shall not be required for current
542 teachers who choose not to teach in a charter lab school, except
543 as authorized by the employment policies of the state university
544 which grants the charter to the lab school.

545 18. Full disclosure of the identity of all relatives
546 employed by the charter school who are related to the charter
547 school owner, president, chairperson of the governing board of
548 directors, superintendent, governing board member, principal,
549 assistant principal, or any other person employed by the charter
550 school having equivalent decisionmaking authority. For the
551 purpose of this subparagraph, the term "relative" means father,
552 mother, son, daughter, brother, sister, uncle, aunt, first
553 cousin, nephew, niece, husband, wife, father-in-law, mother-in-
554 law, son-in-law, daughter-in-law, brother-in-law, sister-in-law,

555 stepfather, stepmother, stepson, stepdaughter, stepbrother,
 556 stepsister, half brother, or half sister.

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

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

574 (9) CHARTER SCHOOL REQUIREMENTS.--

575 ~~(g) A charter school shall provide for an annual financial~~
 576 ~~audit in accordance with s. 218.39. Financial audits that reveal~~
 577 ~~a state of financial emergency as defined in s. 218.503 and are~~
 578 ~~conducted by a certified public accountant or auditor in~~
 579 ~~accordance with s. 218.39 shall be provided to the governing~~
 580 ~~body of the charter school within 7 working days after finding~~
 581 ~~that a state of financial emergency exists. When a charter~~
 582 ~~school is found to be in a state of financial emergency by a~~

HB 1005

2009

583 ~~certified public accountant or auditor, the charter school must~~
584 ~~file a detailed financial recovery plan with the sponsor within~~
585 ~~30 days after receipt of the audit.~~

586 (g) ~~(h)~~ In order to provide financial information that is
587 comparable to that reported for other public schools, charter
588 schools are to maintain all financial records which constitute
589 their accounting system:

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

594 2. At the discretion of the charter school governing
595 board, a charter school may elect to follow generally accepted
596 accounting standards for not-for-profit organizations, but must
597 reformat this information for reporting according to this
598 paragraph.

599
600 Charter schools shall provide annual financial report and
601 program cost report information in the state-required formats
602 for inclusion in district reporting in compliance with s.
603 1011.60(1). Charter schools that are operated by a municipality
604 or are a component unit of a parent nonprofit organization may
605 use the accounting system of the municipality or the parent but
606 must reformat this information for reporting according to this
607 paragraph. A charter school shall provide monthly financial
608 statements to the sponsor.

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

HB 1005

2009

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

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

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

619 2. Reviewing and approving the audit report, including
620 audit findings and recommendations for the financial recovery
621 plan.

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

624 b. Monitoring a financial recovery plan in order to ensure
625 compliance.

626 4. Participating in governance training approved by the
627 department that must include government in the sunshine,
628 conflicts of interest, ethics, and financial responsibility.

629 (k)~~(l)~~ The governing body of the charter school shall
630 report its progress annually to its sponsor, which shall forward
631 the report to the Commissioner of Education at the same time as
632 other annual school accountability reports. The Department of
633 Education shall develop a uniform, online annual accountability
634 report to be completed by charter schools. This report shall be
635 easy to utilize and contain demographic information, student
636 performance data, and financial accountability information. A
637 charter school shall not be required to provide information and
638 data that is duplicative and already in the possession of the

639 department. The Department of Education shall include in its
640 compilation a notation if a school failed to file its report by
641 the deadline established by the department. The report shall
642 include at least the following components:

643 1. Student achievement performance data, including the
644 information required for the annual school report and the
645 education accountability system governed by ss. 1008.31 and
646 1008.345. Charter schools are subject to the same accountability
647 requirements as other public schools, including reports of
648 student achievement information that links baseline student data
649 to the school's performance projections identified in the
650 charter. The charter school shall identify reasons for any
651 difference between projected and actual student performance.

652 2. Financial status of the charter school which must
653 include revenues and expenditures at a level of detail that
654 allows for analysis of the ability to meet financial obligations
655 and timely repayment of debt.

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

659 4. Descriptive information about the charter school's
660 personnel, including salary and benefit levels of charter school
661 employees, the proportion of instructional personnel who hold
662 professional or temporary certificates, and the proportion of
663 instructional personnel teaching in-field or out-of-field.

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

HB 1005

2009

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

669 (n) ~~(o)~~ The director and a representative of the governing
670 body of a charter school that has received a school grade of "D"
671 under s. 1008.34(2) shall appear before the sponsor or the
672 sponsor's staff at least once a year to present information
673 concerning each contract component having noted deficiencies.
674 The sponsor shall communicate at the meeting, and in writing to
675 the director, the services provided to the school to help the
676 school address its deficiencies.

677 (o) ~~(p)~~ Upon notification that a charter school receives a
678 school grade of "D" for 2 consecutive years or a school grade of
679 "F" under s. 1008.34(2), the charter school sponsor or the
680 sponsor's staff shall require the director and a representative
681 of the governing body to submit to the sponsor for approval a
682 school improvement plan to raise student achievement and to
683 implement the plan. The sponsor has the authority to approve a
684 school improvement plan that the charter school will implement
685 in the following school year. The sponsor may also consider the
686 State Board of Education's recommended action pursuant to s.
687 1008.33(1) as part of the school improvement plan. The
688 Department of Education shall offer technical assistance and
689 training to the charter school and its governing body and
690 establish guidelines for developing, submitting, and approving
691 such plans.

692 1. If the charter school fails to improve its student
693 performance from the year immediately prior to the

694 implementation of the school improvement plan, the sponsor shall
 695 place the charter school on probation and shall require the
 696 charter school governing body to take one of the following
 697 corrective actions:

698 a. Contract for the educational services of the charter
 699 school;

700 b. Reorganize the school at the end of the school year
 701 under a new director or principal who is authorized to hire new
 702 staff and implement a plan that addresses the causes of
 703 inadequate progress; or

704 c. Reconstitute the charter school.

705 2. A charter school that is placed on probation shall
 706 continue the corrective actions required under subparagraph 1.
 707 until the charter school improves its student performance from
 708 the year prior to the implementation of the school improvement
 709 plan.

710 3. Notwithstanding any provision of this paragraph, the
 711 sponsor may terminate the charter at any time pursuant to the
 712 provisions of subsection (8).

713 (p) ~~(q)~~ The director and a representative of the governing
 714 body of a graded charter school that has submitted a school
 715 improvement plan or has been placed on probation under paragraph
 716 (o) ~~(p)~~ shall appear before the sponsor or the sponsor's staff
 717 at least once a year to present information regarding the
 718 corrective strategies that are being implemented by the school
 719 pursuant to the school improvement plan. The sponsor shall
 720 communicate at the meeting, and in writing to the director, the

HB 1005

2009

721 services provided to the school to help the school address its
722 deficiencies.

723 (17) FUNDING.--Students enrolled in a charter school,
724 regardless of the sponsorship, shall be funded as if they are in
725 a basic program or a special program, the same as students
726 enrolled in other public schools in the school district. Funding
727 for a charter lab school shall be as provided in s. 1002.32. The
728 maximum number of students eligible to be funded in any
729 classroom of any charter school shall be the maximum number
730 prescribed by law.

731 (a) Each charter school shall report its student
732 enrollment to the sponsor as required in s. 1011.62, and in
733 accordance with the definitions in s. 1011.61. The sponsor shall
734 include each charter school's enrollment in the district's
735 report of student enrollment. All charter schools submitting
736 student record information required by the Department of
737 Education shall comply with the Department of Education's
738 guidelines for electronic data formats for such data, and all
739 districts shall accept electronic data that complies with the
740 Department of Education's electronic format.

741 (b) The basis for the agreement for funding students
742 enrolled in a charter school shall be the sum of the school
743 district's operating funds from the Florida Education Finance
744 Program as provided in s. 1011.62 and the General Appropriations
745 Act, including gross state and local funds, discretionary
746 lottery funds, and funds from the school district's current
747 operating discretionary millage levy; divided by total funded
748 weighted full-time equivalent students in the school district;

749 multiplied by the weighted full-time equivalent students for the
750 charter school. Charter schools whose students or programs meet
751 the eligibility criteria in law shall be entitled to their
752 proportionate share of categorical program funds included in the
753 total funds available in the Florida Education Finance Program
754 by the Legislature, including transportation. Total funding for
755 each charter school shall be recalculated during the year to
756 reflect the revised calculations under the Florida Education
757 Finance Program by the state and the actual weighted full-time
758 equivalent students reported by the charter school during the
759 full-time equivalent student survey periods designated by the
760 Commissioner of Education.

761 (c) If the district school board is providing programs or
762 services to students funded by federal funds, any eligible
763 students enrolled in charter schools in the school district
764 shall be provided federal funds for the same level of service
765 provided students in the schools operated by the district school
766 board. Pursuant to provisions of 20 U.S.C. 8061 s. 10306, all
767 charter schools shall receive all federal funding for which the
768 school is otherwise eligible, including Title I funding, not
769 later than 5 months after the charter school first opens and
770 within 5 months after any subsequent expansion of enrollment.

771 (d) District school boards shall make timely and efficient
772 payment and reimbursement to charter schools, including
773 processing paperwork required to access special state and
774 federal funding for which they may be eligible. The district
775 school board may distribute funds to a charter school for up to
776 3 months based on the projected full-time equivalent student

HB 1005

2009

777 membership of the charter school. Thereafter, the results of
778 full-time equivalent student membership surveys shall be used in
779 adjusting the amount of funds distributed monthly to the charter
780 school for the remainder of the fiscal year. The payment shall
781 be issued no later than 10 working days after the district
782 school board receives a distribution of state or federal funds.
783 If a warrant for payment is not issued within 10 working days
784 after receipt of funding by the district school board, the
785 school district shall pay to the charter school, in addition to
786 the amount of the scheduled disbursement, interest at a rate of
787 1 percent per month calculated on a daily basis on the unpaid
788 balance from the expiration of the 10 working days until such
789 time as the warrant is issued.

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

791 (a) The Department of Education shall provide information
792 to the public, directly and through sponsors, both on how to
793 form and operate a charter school and on how to enroll in
794 charter schools once they are created. This information shall
795 include a standard application format, charter format,
796 evaluation instrument, and charter renewal format, which shall
797 include the information specified in subsection (7) and shall be
798 developed by consulting and negotiating with ~~both~~ school
799 districts, the Florida Schools of Excellence Commission, and
800 charter schools before implementation. The charter and charter
801 renewal ~~These~~ formats shall be used as guidelines by charter
802 school sponsors.

803 (b)1. The Department of Education shall report student
804 assessment data pursuant to s. 1008.34(3)(b) which is reported

HB 1005

2009

805 to schools that receive a school grade pursuant to s. 1008.34 or
806 student assessment data pursuant to s. 1008.341(3) which is
807 reported to alternative schools that receive a school
808 improvement rating pursuant to s. 1008.341 to each charter
809 school that:

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

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

814 2. The charter school shall report the information in
815 subparagraph 1. to each parent of a student at the charter
816 school, the parent of a child on a waiting list for the charter
817 school, the district in which the charter school is located, and
818 the governing board of the charter school. This paragraph does
819 not abrogate the provisions of s. 1002.22, relating to student
820 records, and the requirements of 20 U.S.C. s. 1232g, the Family
821 Educational Rights and Privacy Act.

822 3.a. Pursuant to this paragraph, the Department of
823 Education shall compare the charter school student performance
824 data for each charter school in subparagraph 1. with the student
825 performance data in traditional public schools in the district
826 in which the charter school is located and other charter schools
827 in the state. For alternative charter schools, the department
828 shall compare the student performance data described in this
829 paragraph with all alternative schools in the state. The
830 comparative data shall be provided by the following grade
831 groupings:

832 (I) Grades 3 through 5;

833 (II) Grades 6 through 8; and

834 (III) Grades 9 through 11.

835 b. Each charter school shall provide the information in
 836 this paragraph on its Internet website and also provide notice
 837 to the public in a manner that notifies the community at large,
 838 as provided by rules of the State Board of Education. The State
 839 Board of Education shall adopt rules to administer the notice
 840 requirements of this subparagraph pursuant to ss. 120.536(1) and
 841 120.54. The website shall include, through links or actual
 842 content, other information related to school performance.

843 (23) ANALYSIS OF CHARTER SCHOOL PERFORMANCE.--Upon receipt
 844 of the annual report required by paragraph (9) (k) ~~(9) (l)~~, the
 845 Department of Education shall provide to the State Board of
 846 Education, the Commissioner of Education, the Governor, the
 847 President of the Senate, and the Speaker of the House of
 848 Representatives an analysis and comparison of the overall
 849 performance of charter school students, to include all students
 850 whose scores are counted as part of the statewide assessment
 851 program, versus comparable public school students in the
 852 district as determined by the statewide assessment program
 853 currently administered in the school district, and other
 854 assessments administered pursuant to s. 1008.22 (3).

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

856 (a) This subsection applies to charter school personnel in
 857 a charter school operated by a private entity. As used in this
 858 subsection, the term:

859 1. "Charter school personnel" means a charter school
 860 owner, president, chairperson of the governing board of

861 directors, superintendent, governing board member, principal,
 862 assistant principal, or any other person employed by the charter
 863 school having equivalent decisionmaking authority and in whom is
 864 vested the authority, or to whom the authority has been
 865 delegated, to appoint, employ, promote, or advance individuals
 866 or to recommend individuals for appointment, employment,
 867 promotion, or advancement in connection with employment in a
 868 charter school, including the authority as a member of a
 869 governing body of a charter school to vote on the appointment,
 870 employment, promotion, or advancement of individuals.

871 2. "Relative" means father, mother, son, daughter,
 872 brother, sister, uncle, aunt, first cousin, nephew, niece,
 873 husband, wife, father-in-law, mother-in-law, son-in-law,
 874 daughter-in-law, brother-in-law, sister-in-law, stepfather,
 875 stepmother, stepson, stepdaughter, stepbrother, stepsister, half
 876 brother, or half sister.

877 (b) Charter school personnel may not appoint, employ,
 878 promote, or advance, or advocate for appointment, employment,
 879 promotion, or advancement, in or to a position in the charter
 880 school in which the personnel are serving or over which the
 881 personnel exercises jurisdiction or control any individual who
 882 is a relative. An individual may not be appointed, employed,
 883 promoted, or advanced in or to a position in a charter school if
 884 such appointment, employment, promotion, or advancement has been
 885 advocated by charter school personnel who serve in or exercise
 886 jurisdiction or control over the charter school and who is a
 887 relative of the individual or if such appointment, employment,

888 promotion, or advancement is made by the governing board of
 889 which a relative of the individual is a member.

890 (c) Mere approval of budgets does not constitute
 891 "jurisdiction or control" for the purposes of this subsection.
 892 Charter school personnel in schools operated by a municipality
 893 or other public entity are subject to the provisions of s.
 894 112.3135.

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

896 (a) A member of a governing board of a charter school,
 897 including a charter school operated by a private entity, is
 898 subject to the provisions of ss. 112.313(2), (3), (7), and (12)
 899 and 112.3143(3).

900 (b) A member of a governing board of a charter school
 901 operated by a municipality or other public entity is subject to
 902 the provisions of s. 112.3144, relating to the disclosure of
 903 financial interests.

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

907 1002.335 Florida Schools of Excellence Commission.--

908 (5) CHARTERING AUTHORITY.--

909 (a) A charter school applicant may submit an application
 910 to the commission only if the school district in which the FSE
 911 charter school is to be located has not retained exclusive
 912 authority to authorize charter schools as provided in paragraph
 913 (e). If a district school board has not retained exclusive
 914 authority to authorize charter schools as provided in paragraph
 915 (e), the district school board and the commission shall have

916 concurrent authority to authorize charter schools and FSE
 917 charter schools, respectively, to be located within the
 918 geographic boundaries of the school district. The district
 919 school board shall monitor and oversee all charter schools
 920 authorized by the district school board pursuant to s. 1002.33.
 921 The commission shall monitor and oversee all FSE charter schools
 922 sponsored by the commission pursuant to subsection (4).

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

929 (c) For fiscal year 2007-2008 and for each fiscal year
 930 thereafter, a district school board may seek ~~to retain~~ exclusive
 931 authority to authorize charter schools within the geographic
 932 boundaries of the school district by presenting to the State
 933 Board of Education, on or before March 1 of the fiscal year
 934 prior to that for which the exclusive authority is to apply, a
 935 written resolution adopted by the district school board
 936 indicating the intent to seek ~~retain~~ exclusive authority to
 937 authorize charter schools. A district school board may seek ~~to~~
 938 ~~retain~~ the exclusive authority to authorize charter schools by
 939 presenting to the state board the written resolution on or
 940 before a date 60 days after establishment of the commission. The
 941 written resolution shall be accompanied by a written description
 942 addressing the elements described in paragraph (e). The district
 943 school board shall provide a complete copy of the resolution,

HB 1005

2009

944 including the description, to each charter school authorized by
945 the district school board on or before the date it submits the
946 resolution to the state board.

947 (d) A party may challenge the grant of exclusive authority
948 made by the State Board of Education pursuant to paragraph (e)
949 by filing with the state board a notice of challenge within 30
950 days after the state board grants initial exclusive authority.
951 The notice shall be accompanied by a specific written
952 description of the basis for the challenge. The challenging
953 party, at the time of filing notice with the state board, shall
954 provide a copy of the notice of challenge to the district school
955 board that has been granted exclusive authority. The state board
956 shall permit the district school board the opportunity to appear
957 and respond in writing to the challenge. The state board shall
958 make a determination upon the challenge within 60 days after
959 receiving the notice of challenge.

960 (e) The State Board of Education shall grant to a district
961 school board exclusive authority to authorize charter schools
962 within the geographic boundaries of the school district if the
963 state board determines, after adequate notice, in a public
964 hearing, and after receiving input from any charter school
965 authorized by the district school board, that the district
966 school board has provided fair and equitable treatment to its
967 charter schools during the 4 years prior to the district school
968 board's submission of the resolution described in paragraph (c).
969 The state board's review of the resolution shall, at a minimum,
970 include consideration of the following:

971 1. Compliance with the provisions of s. 1002.33.

972 2. Compliance with full and accurate accounting practices
973 and charges for central administrative overhead costs.

974 3. Compliance with requirements allowing a charter school,
975 at its discretion, to purchase certain services or a combination
976 of services at actual cost to the district.

977 4. The absence of a district school board moratorium
978 regarding charter schools or the absence of any districtwide
979 charter school enrollment limits.

980 5. Compliance with valid orders of the state board.

981 6. The provision of assistance to charter schools to meet
982 their facilities needs by including those needs in local bond
983 issues or otherwise providing available land and facilities that
984 are comparable to those provided to other public school students
985 in the same grade levels within the school district.

986 7. The distribution to charter schools authorized by the
987 district school board of a pro rata share of federal and state
988 grants received by the district school board, except for any
989 grant received for a particular purpose which, by its express
990 terms, is intended to benefit a student population not able to
991 be served by, or a program not able to be offered at, a charter
992 school that did not receive a proportionate share of such grant
993 proceeds.

994 8. The provision of adequate staff and other resources to
995 serve charter schools authorized by the district school board,
996 which services are provided by the district school board at a
997 cost to the charter schools that does not exceed their actual
998 cost to the district school board.

999 9. The lack of a policy or practice of imposing individual
 1000 charter school enrollment limits, except as otherwise provided
 1001 by law.

1002 10. The provision of an adequate number of educational
 1003 choice programs to serve students exercising their rights to
 1004 transfer pursuant to the "No Child Left Behind Act of 2001,"
 1005 Pub. L. No. 107-110, and a history of charter school approval
 1006 that encourages chartering.

1007 (f) The decision of the State Board of Education pursuant
 1008 to paragraph (e) shall not be subject to the provisions of
 1009 chapter 120 and shall be a final action subject to judicial
 1010 review by the district court of appeal.

1011 (g) For district school boards that have no discernible
 1012 history of authorizing charter schools, the State Board of
 1013 Education may not grant exclusive authority unless the district
 1014 school board demonstrates that no approvable application has
 1015 come before the district school board.

1016 (h)1. A grant of exclusive authority by the State Board of
 1017 Education shall continue so long as a district school board
 1018 continues to comply with this section ~~and has presented a~~
 1019 ~~written resolution to the state board as set forth in paragraph~~
 1020 ~~(e).~~ A presumption exists that a district school board that has
 1021 been granted exclusive authority has continued to provide fair
 1022 and equitable treatment of the charter schools in its district.

1023 2. A charter school authorized by a district school board
 1024 within the previous 4 years may challenge the presumption that
 1025 the district school board continues to provide fair and
 1026 equitable treatment of the charter schools in its district by

1027 filing a request for a hearing between January 1 and January 31
 1028 of any year. The request for a hearing shall state with
 1029 specificity the basis for the challenge and must include a
 1030 statement certifying that a copy of the request was provided to
 1031 the district school board. If a legally sufficient challenge is
 1032 filed, the Commissioner of Education shall designate a hearing
 1033 officer and refer the matter to the hearing officer for the
 1034 conduct of an informal proceeding. The hearing officer shall
 1035 provide findings of fact and conclusions of law to the
 1036 Commissioner of Education in the form of a recommended order to
 1037 the State Board of Education. The State Board of Education shall
 1038 enter a final order prior to June 30 determining whether the
 1039 district school board continues to provide fair and equitable
 1040 treatment to the charter schools in its district.

1041 (i) Notwithstanding any other provision of this section to
 1042 the contrary, a district school board may permit the
 1043 establishment of one or more FSE charter schools within the
 1044 geographic boundaries of the school district by adopting a
 1045 favorable resolution and submitting the resolution to the State
 1046 Board of Education. The resolution shall be effective until it
 1047 is rescinded by resolution of the district school board.

1048 (7) COSPONSOR AGREEMENT.--

1049 (a) Upon approval of a cosponsor, the commission and the
 1050 cosponsor shall enter into an agreement that defines the
 1051 cosponsor's rights and obligations and includes the following:

1052 1. An explanation of the personnel, contractual and
 1053 interagency relationships, and potential revenue sources
 1054 referenced in the application as required in paragraph (6) (c).

1055 2. Incorporation of the requirements of equal access for
 1056 all students, including any plans to provide food service or
 1057 transportation reasonably necessary to provide access to as many
 1058 students as possible.

1059 3. Incorporation of the requirement to serve low-income,
 1060 low-performing, gifted, or underserved student populations.

1061 4. An explanation of the academic and financial goals and
 1062 expected outcomes for the cosponsor's charter schools and the
 1063 method and plans by which they will be measured and achieved as
 1064 referenced in the application.

1065 5. The conflict-of-interest policies referenced in the
 1066 application.

1067 6. An explanation of the disposition of facilities and
 1068 assets upon termination and dissolution of a charter school
 1069 approved by the cosponsor.

1070 7.a. A provision requiring the cosponsor to annually
 1071 appear before the commission and provide a report as to the
 1072 information provided pursuant to s. 1002.33(9)(k) ~~s.~~
 1073 ~~1002.33(9)(l)~~ for each of its charter schools.

1074 b. A provision requiring the cosponsor to perform the
 1075 duties provided for in s. 1002.345.

1076 c. A provision requiring the governing board to perform
 1077 the duties provided for in s. 1002.345, including monitoring the
 1078 corrective action plan.

1079 8. A provision requiring that the cosponsor report the
 1080 student enrollment in each of its sponsored charter schools to
 1081 the district school board of the county in which the school is
 1082 located.

1083 9. A provision requiring that the cosponsor work with the
 1084 commission to provide the necessary reports to the State Board
 1085 of Education.

1086 10. Any other reasonable terms deemed appropriate by the
 1087 commission given the unique characteristics of the cosponsor.

1088 (11) APPLICATION OF CHARTER SCHOOL STATUTE.--

1089 (a) The provisions of s. 1002.33(7)-(12), (14), ~~and~~ (16)-
 1090 (19), (21)(b), (24), and (25) ~~shall~~ apply to the commission and
 1091 the cosponsors and charter schools approved pursuant to this
 1092 section.

1093 (12) ACCESS TO INFORMATION.--The commission shall provide
 1094 maximum access to information to all parents in the state. It
 1095 shall maintain information systems, including, but not limited
 1096 to, a user-friendly Internet website, that will provide
 1097 information and data necessary for parents to make informed
 1098 decisions, including a link to the information provided in s.
 1099 1002.33(21)(b)3.b. At a minimum, the commission must provide
 1100 parents with information on its accountability standards, links
 1101 to schools of excellence throughout the state, and public
 1102 education programs available in the state.

1103 Section 8. Subsections (4) and (5), paragraphs (d) and (f)
 1104 of subsection (6), paragraph (c) of subsection (10), and
 1105 subsection (13) of section 1002.34, Florida Statutes, are
 1106 amended to read:

1107 1002.34 Charter technical career centers.--

1108 (4) CHARTER.--A sponsor may designate centers as provided
 1109 in this section. An application to establish a center may be
 1110 submitted by a sponsor or another organization that is

HB 1005

2009

1111 determined, by rule of the State Board of Education, to be
1112 appropriate. However, an independent school is not eligible for
1113 status as a center. The charter must be signed by the governing
1114 body of the center and the sponsor, and must be approved by the
1115 district school board and community college board of trustees in
1116 whose geographic region the facility is located. If a charter
1117 technical career center is established by the conversion to
1118 charter status of a public technical center formerly governed by
1119 a district school board, the charter status of that center takes
1120 precedence in any question of governance. The governance of the
1121 center or of any program within the center remains with its
1122 board of directors unless the board agrees to a change in
1123 governance or its charter is revoked as provided in subsection
1124 (15). Such a conversion charter technical career center is not
1125 affected by a change in the governance of public technical
1126 centers or of programs within other centers that are or have
1127 been governed by district school boards. A charter technical
1128 career center, or any program within such a center, that was
1129 governed by a district school board and transferred to a
1130 community college prior to the effective date of this act is not
1131 affected by this provision. An applicant who wishes to establish
1132 a center must submit to the district school board or community
1133 college board of trustees, or a consortium of one or more of
1134 each, an application on a form developed by the Department of
1135 Education which ~~that~~ includes:

1136 (a) The name of the proposed center.

1137 (b) The proposed structure of the center, including a list
1138 of proposed members of the board of directors or a description

HB 1005

2009

1139 of the qualifications for and method of their appointment or
1140 election.

1141 (c) The workforce development goals of the center, the
1142 curriculum to be offered, and the outcomes and the methods of
1143 assessing the extent to which the outcomes are met.

1144 (d) The admissions policy and criteria for evaluating the
1145 admission of students.

1146 (e) A description of the staff responsibilities and the
1147 proposed qualifications of the teaching staff.

1148 (f) A description of the procedures to be implemented to
1149 ensure significant involvement of representatives of business
1150 and industry in the operation of the center.

1151 (g) A method for determining whether a student has
1152 satisfied the requirements for graduation specified in s.
1153 1003.43 and for completion of a postsecondary certificate or
1154 degree.

1155 (h) A method for granting secondary and postsecondary
1156 diplomas, certificates, and degrees.

1157 (i) A description of and address for the physical facility
1158 in which the center will be located.

1159 (j) A method of resolving conflicts between the governing
1160 body of the center and the sponsor and between consortium
1161 members, if applicable.

1162 (k) A method for reporting student data as required by law
1163 and rule.

1164 (l) A statement that the applicant has participated in the
1165 training provided by the Department of Education.

1166 (m) The identity of all relatives employed by the charter
 1167 technical career center who are related to the center owner,
 1168 president, chairperson of the governing board of directors,
 1169 superintendent, governing board member, principal, assistant
 1170 principal, or any other person employed by the center who has
 1171 equivalent decisionmaking authority. As used in this paragraph,
 1172 the term "relative" means father, mother, son, daughter,
 1173 brother, sister, uncle, aunt, first cousin, nephew, niece,
 1174 husband, wife, father-in-law, mother-in-law, son-in-law,
 1175 daughter-in-law, brother-in-law, sister-in-law, stepfather,
 1176 stepmother, stepson, stepdaughter, stepbrother, stepsister, half
 1177 brother, or half sister.

1178 (n)~~(l)~~ Other information required by the district school
 1179 board or community college board of trustees.

1180
 1181 Students at a center must meet the same testing and academic
 1182 performance standards as those established by law and rule for
 1183 students at public schools and public technical centers. The
 1184 students must also meet any additional assessment indicators
 1185 that are included within the charter approved by the district
 1186 school board or community college board of trustees.

1187 (5) APPLICATION.--An application to establish a center
 1188 must be submitted by February 1 of the year preceding the school
 1189 year in which the center will begin operation. The sponsor must
 1190 review the application using an evaluation instrument developed
 1191 by the Department of Education and make a final decision on
 1192 whether to approve the application and grant the charter by
 1193 March 1, and may condition the granting of a charter on the

1194 center's taking certain actions or maintaining certain
 1195 conditions. Such actions and conditions must be provided to the
 1196 applicant in writing. The district school board or community
 1197 college board of trustees is not required to issue a charter to
 1198 any person.

1199 (6) SPONSOR.--A district school board or community college
 1200 board of trustees or a consortium of one or more of each may
 1201 sponsor a center in the county in which the board has
 1202 jurisdiction.

1203 (d) 1. The Department of Education shall offer or arrange
 1204 for training and technical assistance to applicants in
 1205 developing business plans and estimating costs and income. This
 1206 assistance shall address estimating startup costs, projecting
 1207 enrollment, and identifying the types and amounts of state and
 1208 federal financial assistance the center will be eligible to
 1209 receive. The training shall include instruction in accurate
 1210 financial planning and good business practices.

1211 2. An applicant must participate in the training provided
 1212 by the Department of Education prior to filing an application.
 1213 The Department of Education may provide technical assistance to
 1214 an applicant upon written request.

1215 (f) The sponsor shall monitor and review the center's
 1216 progress toward charter goals and shall monitor the center's
 1217 revenues and expenditures. The sponsor shall perform the duties
 1218 provided for in s. 1002.345.

1219 (10) EXEMPTION FROM STATUTES.--

HB 1005

2009

1220 (c) A center must comply with the antidiscrimination
 1221 provisions of s. 1000.05 and the provisions of s. 1002.33(24),
 1222 relating to the employment of relatives.

1223 (13) BOARD OF DIRECTORS AUTHORITY.--The board of directors
 1224 of a center may decide matters relating to the operation of the
 1225 school, including budgeting, curriculum, and operating
 1226 procedures, subject to the center's charter. The board of
 1227 directors is responsible for performing the duties provided for
 1228 in s. 1002.345, including monitoring the corrective action plan.
 1229 The board of directors must comply with the provisions of s.
 1230 1002.33(25).

1231 Section 9. Section 1002.345, Florida Statutes, is created
 1232 to read:

1233 1002.345 Determination of financial weaknesses and
 1234 financial emergencies for charter schools and charter technical
 1235 career centers.--This section applies to charter schools
 1236 operating pursuant to ss. 1002.33 and 1002.335, and to charter
 1237 technical career centers operating pursuant to s. 1002.34.

1238 (1) FINANCIAL WEAKNESS; REQUIREMENTS.--

1239 (a) A charter school and a charter technical career center
 1240 shall be subject to an expedited review by the sponsor when any
 1241 one of the following conditions occurs:

1242 1. An end-of-year financial deficit.

1243 2. A substantial decline in student enrollment without a
 1244 commensurate reduction in expenses.

1245 3. Insufficient revenues to pay current operating
 1246 expenses.

1247 4. Insufficient revenues to pay long-term expenses.

- 1248 5. Disproportionate administrative expenses.
- 1249 6. Excessive debt.
- 1250 7. Excessive expenditures.
- 1251 8. Inadequate fund balances or reserves.
- 1252 9. Failure to meet financial reporting requirements
 1253 pursuant to s. 1002.33(9), s. 1002.335(7)(a)7., or s.
 1254 1002.34(14).
- 1255 10. Weak financial controls or other adverse financial
 1256 conditions identified through an annual audit conducted pursuant
 1257 to s. 218.39.
- 1258 11. Negative financial findings cited in reports by the
 1259 Auditor General or the Office of Program Policy Analysis and
 1260 Government Accountability.
- 1261 (b) A sponsor shall notify the governing board within 7
 1262 working days when one or more of the conditions specified in
 1263 paragraph (a) occur.
- 1264 (c) The governing board and the sponsor shall develop a
 1265 corrective action plan and file the plan with the Commissioner
 1266 of Education within 30 working days. If the governing board and
 1267 the sponsor are unable to agree on a corrective action plan, the
 1268 Commissioner of Education shall determine the components of the
 1269 plan. The governing board shall implement the plan.
- 1270 (d) The governing board shall include the corrective
 1271 action plan and the status of its implementation in the annual
 1272 progress report to the sponsor that is required under s.
 1273 1002.33(9)(k), s. 1002.335(7)(a)7., or s. 1002.34(14).
- 1274 (e) If the governing board fails to implement the
 1275 corrective action plan within 1 year, the State Board of

1276 Education shall prescribe any steps necessary for the charter
 1277 school or the charter technical career center to comply with
 1278 state requirements.

1279 (f) The chair of the governing board shall annually appear
 1280 before the State Board of Education and report on the
 1281 implementation of the State Board of Education's requirements.

1282 (2) FINANCIAL EMERGENCY; DEFICIT FUND BALANCE; DEFICIT NET
 1283 ASSETS; REQUIREMENTS.--

1284 (a) A charter school and a charter technical career center
 1285 shall provide for a certified public accountant or auditor to
 1286 conduct an annual financial audit in accordance with s. 218.39.

1287 (b) The charter shall ensure that, if an annual financial
 1288 audit of a charter school or charter technical career center
 1289 reveals one or more of the conditions in s. 218.503(1) have
 1290 occurred or will occur if action is not taken or if a charter
 1291 school or charter technical career center has a deficit fund
 1292 balance or deficit net assets, the auditor must notify the
 1293 governing board of the charter school or charter technical
 1294 career center, as appropriate, the sponsor, and the Commissioner
 1295 of Education.

1296 (c)1. When a financial audit conducted by a certified
 1297 public accountant in accordance with s. 218.39 reveals that one
 1298 or more of the conditions in s. 218.503(1) have occurred or will
 1299 occur if action is not taken or when a deficit fund balance or
 1300 deficit net assets exist, the auditor shall notify and provide
 1301 the financial audit to the governing board of the charter school
 1302 or charter technical career center, as appropriate, the sponsor,
 1303 and the Commissioner of Education within 7 working days after

1304 the finding is made.

1305 2. When the charter school or charter technical career
 1306 center is found to be in a state of financial emergency pursuant
 1307 to s. 218.503(4), the charter school or charter technical career
 1308 center shall file a detailed financial recovery plan as provided
 1309 for in s. 218.503 with the sponsor within 30 days after being
 1310 notified by the Commissioner of Education that a financial
 1311 recovery plan is needed.

1312 (d) The sponsor shall file a copy of the financial
 1313 recovery plan with the Commissioner of Education.

1314 (e) The governing board shall include the financial
 1315 recovery plan and the status of its implementation in the annual
 1316 progress report to the sponsor which is required under s.
 1317 1002.33(9)(k), s. 1002.335(7)(a)7., or s. 1002.34(14).

1318 (3) REPORT.--The Commissioner of Education shall annually
 1319 report to the State Board of Education each charter school and
 1320 charter technical career center that is subject to a financial
 1321 recovery plan or a corrective action plan under this section.

1322 (4) RULES.--The State Board of Education shall adopt rules
 1323 pursuant to ss. 120.536(1) and 120.54 for developing financial
 1324 recovery and corrective action plans and establishing the
 1325 criteria for defining each of the conditions in subsection (1).

1326 (5) TECHNICAL ASSISTANCE.--The Department of Education
 1327 shall provide technical assistance to charter schools, charter
 1328 technical career centers, governing boards, and sponsors in
 1329 developing financial recovery and corrective action plans.

1330 (6) FAILURE TO CORRECT DEFICIENCIES.--The sponsor may
 1331 choose not to renew or may terminate a charter if the charter

HB 1005

2009

1332 school or charter technical career center fails to correct the
1333 deficiencies noted in the corrective action plan within 1 year
1334 or exhibits one or more financial emergency conditions as
1335 provided in s. 218.503 for 2 consecutive years. This subsection
1336 is not intended to affect a sponsor's authority to terminate or
1337 not renew a charter pursuant to s. 1002.33(8).

1338 Section 10. This act shall take effect July 1, 2009.