

1                   A bill to be entitled  
2           An act relating to charter schools; amending ss. 11.45,  
3           218.39, 218.50, and 218.501, F.S., relating to audit  
4           reports by the Auditor General and local financial  
5           management; conforming provisions to changes made by the  
6           act; amending ss. 218.503 and 218.504, F.S.; providing  
7           that a charter technical career center is subject to  
8           certain requirements in a financial emergency; requiring  
9           certain notification when specified conditions have  
10          occurred or will occur if action is not taken; authorizing  
11          the Commissioner of Education to require and approve a  
12          financial recovery plan; amending s. 1002.33, F.S.;  
13          providing for duties of a charter school sponsor and  
14          governing board if a charter school experiences a  
15          deteriorating financial condition or is in a financial  
16          emergency; prohibiting a sponsor from denying a charter  
17          for specified reasons; requiring use of an application  
18          form and an evaluation instrument; requiring applicant  
19          training and documentation; updating cross-references  
20          relating to high school graduation requirements;  
21          conforming provisions relating to financial audits;  
22          requiring charter schools to disclose the identity of  
23          relatives of charter school personnel; authorizing the  
24          Commissioner of Education to terminate a charter for good  
25          cause; providing that the immediate termination of a  
26          charter is exempt from certain hearing requirements;  
27          requiring monthly financial statements; permitting charter  
28          schools to provide an enrollment preference to students

29 | residing in communities operated by a homeowners' or  
30 | condominium association under specified circumstances;  
31 | requiring that a charter school comply with constitutional  
32 | limitations on class size; requiring a process to assess  
33 | the provision of sponsor services; providing for the  
34 | disclosure of the performance of a charter school that is  
35 | not given a school grade or school improvement rating;  
36 | requiring charter schools to provide student assessment  
37 | data to the public; providing reporting requirements;  
38 | providing restrictions on the employment of relatives;  
39 | providing an exception; requiring that members of a  
40 | charter school governing board follow certain standards of  
41 | conduct and, under specified circumstances, file a  
42 | disclosure of financial interests; amending s. 1002.34,  
43 | F.S.; providing additional duties for charter technical  
44 | career centers, applicants, sponsors, and governing  
45 | boards; requiring use of an application form and an  
46 | evaluation instrument; requiring applicant training;  
47 | requiring charter technical career centers to disclose the  
48 | identity of relatives of center personnel; providing  
49 | duties of a sponsor if a charter technical career center  
50 | experiences a deteriorating financial condition or is in a  
51 | financial emergency; providing restrictions on the  
52 | employment of relatives; requiring monthly financial  
53 | statements; requiring compliance with standards of conduct  
54 | and disclosure of financial interests; creating s.  
55 | 1002.345, F.S.; establishing criteria and requirements for  
56 | charter schools and charter technical career centers that

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57 | have a deteriorating financial condition or are in a state  
58 | of financial emergency; establishing requirements for  
59 | charter schools, charter technical career centers,  
60 | governing boards, and sponsors; providing for corrective  
61 | action and financial recovery plans; providing for duties  
62 | of auditors, the Commissioner of Education, and the  
63 | Department of Education; requiring the State Board of  
64 | Education to adopt rules; providing grounds for  
65 | termination or nonrenewal of a charter; amending s.  
66 | 1013.62, F.S.; expanding purposes for which charter school  
67 | capital outlay funds may be used; providing an effective  
68 | date.

69 |  
70 | Be It Enacted by the Legislature of the State of Florida:

71 |  
72 | Section 1. Paragraph (e) of subsection (7) and subsection  
73 | (8) of section 11.45, Florida Statutes, are amended to read:

74 | 11.45 Definitions; duties; authorities; reports; rules.--

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

76 | (e) The Auditor General shall notify the Governor or the  
77 | Commissioner of Education, as appropriate, and the Legislative  
78 | Auditing Committee of any audit report reviewed by the Auditor  
79 | General pursuant to paragraph (b) which contains a statement  
80 | that a local governmental entity, charter school, charter  
81 | technical career center, or district school board has met one or  
82 | more of the conditions specified in s. 218.503. If the Auditor  
83 | General requests a clarification regarding information included  
84 | in an audit report to determine whether a local governmental

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85 entity, charter school, charter technical career center, or  
86 district school board has met one or more of the conditions  
87 specified in s. 218.503, the requested clarification must be  
88 provided within 45 days after the date of the request. If the  
89 local governmental entity, charter school, charter technical  
90 career center, or district school board does not comply with the  
91 Auditor General's request, the Auditor General shall notify the  
92 Legislative Auditing Committee. If, after obtaining the  
93 requested clarification, the Auditor General determines that the  
94 local governmental entity, charter school, charter technical  
95 career center, or district school board has met one or more of  
96 the conditions specified in s. 218.503, he or she shall notify  
97 the Governor or the Commissioner of Education, as appropriate,  
98 and the Legislative Auditing Committee.

99 (8) RULES OF THE AUDITOR GENERAL.--The Auditor General, in  
100 consultation with the Board of Accountancy, shall adopt rules  
101 for the form and conduct of all financial audits performed by  
102 independent certified public accountants pursuant to ss.  
103 215.981, 218.39, 1001.453, 1004.28, and 1004.70. The rules for  
104 audits of local governmental entities, charter schools, charter  
105 technical career centers, and district school boards must  
106 include, but are not limited to, requirements for the reporting  
107 of information necessary to carry out the purposes of the Local  
108 Governmental Entity, Charter School, Charter Technical Career  
109 Center, and District School Board Financial Emergencies Act as  
110 stated in s. 218.501.

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

113 218.39 Annual financial audit reports.--

114 (5) At the conclusion of the audit, the auditor shall  
 115 discuss with the chair of each local governmental entity or the  
 116 chair's designee, or with the elected official of each county  
 117 agency or with the elected official's designee, or with the  
 118 chair of the district school board or the chair's designee, or  
 119 with the chair of the board of the charter school or the chair's  
 120 designee, or with the chair of the charter technical career  
 121 center or the chair's designee, as appropriate, all of the  
 122 auditor's comments that will be included in the audit report. If  
 123 the officer is not available to discuss the auditor's comments,  
 124 their discussion is presumed when the comments are delivered in  
 125 writing to his or her office. The auditor shall notify each  
 126 member of the governing body of a local governmental entity,  
 127 district school board, ~~or~~ charter school, or charter technical  
 128 career center for which deteriorating financial conditions exist  
 129 that may cause a condition described in s. 218.503(1) to occur  
 130 if actions are not taken to address such conditions.

131 Section 3. Section 218.50, Florida Statutes, is amended to  
 132 read:

133 218.50 Short title.--Sections 218.50-218.504 may be cited  
 134 as the "Local Governmental Entity, Charter School, Charter  
 135 Technical Career Center, and District School Board Financial  
 136 Emergencies Act."

137 Section 4. Section 218.501, Florida Statutes, is amended  
 138 to read:

139 218.501 Purposes.--The purposes of ss. 218.50-218.504 are:  
 140 (1) To promote the fiscal responsibility of local

141 governmental entities, charter schools, charter technical career  
 142 centers, and district school boards.

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

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

151 Section 5. Subsections (1), (2), (3), and (4) of section  
 152 218.503, Florida Statutes, are amended to read:

153 218.503 Determination of financial emergency.--

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

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

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

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

169           1. Taxes withheld on the income of employees; or  
 170           2. Employer and employee contributions for:  
 171           a. Federal social security; or  
 172           b. Any pension, retirement, or benefit plan of an  
 173 employee.  
 174           (d) Failure for one pay period to pay, due to lack of  
 175 funds:  
 176           1. Wages and salaries owed to employees; or  
 177           2. Retirement benefits owed to former employees.  
 178           (e) An unreserved or total fund balance or retained  
 179 earnings deficit, or unrestricted or total net assets deficit,  
 180 as reported on the balance sheet or statement of net assets on  
 181 the general purpose or fund financial statements, for which  
 182 sufficient resources of the local governmental entity, charter  
 183 school, charter technical career center, or district school  
 184 board, as reported on the balance sheet or statement of net  
 185 assets on the general purpose or fund financial statements, are  
 186 not available to cover the deficit. Resources available to cover  
 187 reported deficits include net assets that are not otherwise  
 188 restricted by federal, state, or local laws, bond covenants,  
 189 contractual agreements, or other legal constraints. Fixed or  
 190 capital assets, the disposal of which would impair the ability  
 191 of a local governmental entity, charter school, charter  
 192 technical career center, or district school board to carry out  
 193 its functions, are not considered resources available to cover  
 194 reported deficits.  
 195           (2) A local governmental entity shall notify the Governor  
 196 and the Legislative Auditing Committee, a charter school shall

197 | notify the charter school sponsor, the Commissioner of  
 198 | Education, and the Legislative Auditing Committee, a charter  
 199 | technical career center shall notify the charter technical  
 200 | career center sponsor, the Commissioner of Education, and the  
 201 | Legislative Auditing Committee, and a district school board  
 202 | shall notify the Commissioner of Education and the Legislative  
 203 | Auditing Committee, when one or more of the conditions specified  
 204 | in subsection (1) have occurred or will occur if action is not  
 205 | taken to assist the local governmental entity, charter school,  
 206 | charter technical career center, or district school board. In  
 207 | addition, any state agency must, within 30 days after a  
 208 | determination that one or more of the conditions specified in  
 209 | subsection (1) have occurred or will occur if action is not  
 210 | taken to assist the local governmental entity, charter school,  
 211 | charter technical career center, or district school board,  
 212 | notify the Governor, charter school sponsor, charter technical  
 213 | career center sponsor, or the Commissioner of Education, as  
 214 | appropriate, and the Legislative Auditing Committee.

215 |         (3) Upon notification that one or more of the conditions  
 216 | in subsection (1) have occurred or will occur if action is not  
 217 | taken to assist the local governmental entity or district school  
 218 | board exist, the Governor or his or her designee shall contact  
 219 | the local governmental entity or the Commissioner of Education  
 220 | or his or her designee shall contact the district school board  
 221 | to determine what actions have been taken by the local  
 222 | governmental entity or the district school board to resolve or  
 223 | prevent the condition. The Governor or the Commissioner of  
 224 | Education, as appropriate, shall determine whether the local



225 governmental entity or the district school board needs state  
226 assistance to resolve or prevent the condition. If state  
227 assistance is needed, the local governmental entity or district  
228 school board is considered to be in a state of financial  
229 emergency. The Governor or the Commissioner of Education, as  
230 appropriate, has the authority to implement measures as set  
231 forth in ss. 218.50-218.504 to assist the local governmental  
232 entity or district school board in resolving the financial  
233 emergency. Such measures may include, but are not limited to:

234 (a) Requiring approval of the local governmental entity's  
235 budget by the Governor or approval of the district school  
236 board's budget by the Commissioner of Education.

237 (b) Authorizing a state loan to a local governmental  
238 entity and providing for repayment of same.

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

243 (d) Making such inspections and reviews of records,  
244 information, reports, and assets of the local governmental  
245 entity or district school board. The appropriate local officials  
246 shall cooperate in such inspections and reviews.

247 (e) Consulting with officials and auditors of the local  
248 governmental entity or the district school board and the  
249 appropriate state officials regarding any steps necessary to  
250 bring the books of account, accounting systems, financial  
251 procedures, and reports into compliance with state requirements.

252 (f) Providing technical assistance to the local

253 governmental entity or the district school board.

254 (g)1. Establishing a financial emergency board to oversee  
 255 the activities of the local governmental entity or the district  
 256 school board. If a financial emergency board is established for  
 257 a local governmental entity, the Governor shall appoint board  
 258 members and select a chair. If a financial emergency board is  
 259 established for a district school board, the State Board of  
 260 Education shall appoint board members and select a chair. The  
 261 financial emergency board shall adopt such rules as are  
 262 necessary for conducting board business. The board may:

263 a. Make such reviews of records, reports, and assets of  
 264 the local governmental entity or the district school board as  
 265 are needed.

266 b. Consult with officials and auditors of the local  
 267 governmental entity or the district school board and the  
 268 appropriate state officials regarding any steps necessary to  
 269 bring the books of account, accounting systems, financial  
 270 procedures, and reports of the local governmental entity or the  
 271 district school board into compliance with state requirements.

272 c. Review the operations, management, efficiency,  
 273 productivity, and financing of functions and operations of the  
 274 local governmental entity or the district school board.

275 2. The recommendations and reports made by the financial  
 276 emergency board must be submitted to the Governor for local  
 277 governmental entities or to the Commissioner of Education and  
 278 the State Board of Education for district school boards for  
 279 appropriate action.

280 (h) Requiring and approving a plan, to be prepared by

281 officials of the local governmental entity or the district  
 282 school board in consultation with the appropriate state  
 283 officials, prescribing actions that will cause the local  
 284 governmental entity or district school board to no longer be  
 285 subject to this section. The plan must include, but need not be  
 286 limited to:

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

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

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

294 (4) (a) Upon notification that one or more of the  
 295 conditions in subsection (1) have occurred or will occur if  
 296 action is not taken to assist the charter school ~~exist~~, the  
 297 charter school sponsor or the sponsor's designee and the  
 298 Commissioner of Education shall contact the charter school  
 299 governing body to determine what actions have been taken by the  
 300 charter school governing body to resolve or prevent the  
 301 condition. The Commissioner of Education ~~charter school sponsor~~  
 302 has the authority to require and approve a financial recovery  
 303 plan, to be prepared by the charter school governing body,  
 304 prescribing actions that will resolve or prevent the condition  
 305 ~~cause the charter school to no longer be subject to this~~  
 306 ~~section. The Department of Education shall establish guidelines~~  
 307 ~~for developing such plans.~~

308 (b) Upon notification that one or more of the conditions

309 in subsection (1) have occurred or will occur if action is not  
310 taken to assist the charter technical career center, the charter  
311 technical career center sponsor or the sponsor's designee and  
312 the Commissioner of Education shall contact the charter  
313 technical career center governing body to determine what actions  
314 have been taken by the governing body to resolve or prevent the  
315 condition. The Commissioner of Education may require and approve  
316 a financial recovery plan, to be prepared by the charter  
317 technical career center governing body, prescribing actions that  
318 will resolve or prevent the condition.

319 (c) The Commissioner of Education shall determine if the  
320 charter school or charter technical career center needs a  
321 financial recovery plan to resolve the condition. If the  
322 Commissioner of Education determines that a financial recovery  
323 plan is needed, the charter school or charter technical career  
324 center is considered to be in a state of financial emergency.

325  
326 The Department of Education, with the involvement of sponsors,  
327 charter schools, and charter technical career centers, shall  
328 establish guidelines for developing a financial recovery plan.

329 Section 6. Section 218.504, Florida Statutes, is amended  
330 to read:

331 218.504 Cessation of state action.--The Governor or the  
332 Commissioner of Education, as appropriate, has the authority to  
333 terminate all state actions pursuant to ss. 218.50-218.504.  
334 Cessation of state action must not occur until the Governor or  
335 the Commissioner of Education, as appropriate, has determined  
336 that:

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

339 (a) Has established and is operating an effective  
 340 financial accounting and reporting system.

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

342 (2) None of the conditions outlined in s. 218.503(1)  
 343 exists.

344 Section 7. Paragraph (b) of subsection (5), paragraphs  
 345 (a), (b), and (g) of subsection (6), paragraph (a) of subsection  
 346 (7), paragraphs (a) and (d) of subsection (8), paragraphs (g)  
 347 through (q) of subsection (9), paragraph (d) of subsection (10),  
 348 subsection (16), paragraph (a) of subsection (20), and  
 349 subsections (21) and (23) of section 1002.33, Florida Statutes,  
 350 are amended, present subsection (24) of that section is  
 351 renumbered as subsection (26), and new subsections (24) and (25)  
 352 are added to that section, to read:

353 1002.33 Charter schools.--

354 (5) SPONSOR; DUTIES.--

355 (b) Sponsor duties.--

356 1.a. The sponsor shall monitor and review the charter  
 357 school in its progress toward the goals established in the  
 358 charter.

359 b. The sponsor shall monitor the revenues and expenditures  
 360 of the charter school and perform the duties provided in s.  
 361 1002.345.

362 c. The sponsor may not deny ~~approve~~ a charter for a  
 363 charter school because ~~before~~ the applicant has not secured  
 364 space, equipment, or personnel, if the applicant indicates

365 approval is necessary for it to raise working funds.

366 d. The sponsor's policies shall not apply to a charter  
 367 school unless mutually agreed to by both the sponsor and the  
 368 charter school.

369 e. The sponsor shall ensure that the charter is innovative  
 370 and consistent with the state education goals established by s.  
 371 1000.03(5).

372 f. The sponsor shall ensure that the charter school  
 373 participates in the state's education accountability system. If  
 374 a charter school falls short of performance measures included in  
 375 the approved charter, the sponsor shall report such shortcomings  
 376 to the Department of Education.

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

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

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

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

389 2. Immunity for the sponsor of a charter school under  
 390 subparagraph 1. applies only with respect to acts or omissions  
 391 not under the sponsor's direct authority as described in this  
 392 section.

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

396           4. A community college may work with the school district  
397 or school districts in its designated service area to develop  
398 charter schools that offer secondary education. These charter  
399 schools must include an option for students to receive an  
400 associate degree upon high school graduation. District school  
401 boards shall cooperate with and assist the community college on  
402 the charter application. Community college applications for  
403 charter schools are not subject to the time deadlines outlined  
404 in subsection (6) and may be approved by the district school  
405 board at any time during the year. Community colleges may ~~shall~~  
406 not report FTE for any students who receive FTE funding through  
407 the Florida Education Finance Program.

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

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

413           1. Demonstrates how the school will use the guiding  
414 principles and meet the statutorily defined purpose of a charter  
415 school.

416           2. Provides a detailed curriculum plan that illustrates  
417 how students will be provided services to attain the Sunshine  
418 State Standards.

419           3. Contains goals and objectives for improving student  
420 learning and measuring that improvement. These goals and

421 objectives must indicate how much academic improvement students  
422 are expected to show each year, how success will be evaluated,  
423 and the specific results to be attained through instruction.

424 4. Describes the reading curriculum and differentiated  
425 strategies that will be used for students reading at grade level  
426 or higher and a separate curriculum and strategies for students  
427 who are reading below grade level. A sponsor shall deny a  
428 charter if the school does not propose a reading curriculum that  
429 is consistent with effective teaching strategies that are  
430 grounded in scientifically based reading research.

431 5. Contains an annual financial plan for each year  
432 requested by the charter for operation of the school for up to 5  
433 years. This plan must contain anticipated fund balances based on  
434 revenue projections, a spending plan based on projected revenues  
435 and expenses, and a description of controls that will safeguard  
436 finances and projected enrollment trends.

437 6. Documents that the applicant has participated in the  
438 training required in subparagraph (g)2.

439 (b) A sponsor shall receive and review all applications  
440 for a charter school using an evaluation instrument developed by  
441 the Department of Education. Beginning with the 2007-2008 school  
442 year, a sponsor shall receive and consider charter school  
443 applications received on or before August 1 of each calendar  
444 year for charter schools to be opened at the beginning of the  
445 school district's next school year, or to be opened at a time  
446 agreed to by the applicant and the sponsor. A sponsor may  
447 receive applications later than this date if it chooses. A  
448 sponsor may not charge an applicant for a charter any fee for



449 the processing or consideration of an application, and a sponsor  
450 may not base its consideration or approval of an application  
451 upon the promise of future payment of any kind.

452 1. In order to facilitate an accurate budget projection  
453 process, a sponsor shall be held harmless for FTE students who  
454 are not included in the FTE projection due to approval of  
455 charter school applications after the FTE projection deadline.  
456 In a further effort to facilitate an accurate budget projection,  
457 within 15 calendar days after receipt of a charter school  
458 application, a sponsor shall report to the Department of  
459 Education the name of the applicant entity, the proposed charter  
460 school location, and its projected FTE.

461 2. In order to ensure fiscal responsibility, an  
462 application for a charter school shall include a full accounting  
463 of expected assets, a projection of expected sources and amounts  
464 of income, including income derived from projected student  
465 enrollments and from community support, and an expense  
466 projection that includes full accounting of the costs of  
467 operation, including start-up costs.

468 3. A sponsor shall by a majority vote approve or deny an  
469 application no later than 60 calendar days after the application  
470 is received, unless the sponsor and the applicant mutually agree  
471 in writing to temporarily postpone the vote to a specific date,  
472 at which time the sponsor shall by a majority vote approve or  
473 deny the application. If the sponsor fails to act on the  
474 application, an applicant may appeal to the State Board of  
475 Education as provided in paragraph (c). If an application is  
476 denied, the sponsor shall, within 10 calendar days after such

477 denial, articulate in writing the specific reasons, based upon  
478 good cause, supporting its denial of the charter application and  
479 shall provide the letter of denial and supporting documentation  
480 to the applicant and to the Department of Education supporting  
481 those reasons.

482 4. For budget projection purposes, the sponsor shall  
483 report to the Department of Education the approval or denial of  
484 a charter application within 10 calendar days after such  
485 approval or denial. In the event of approval, the report to the  
486 Department of Education shall include the final projected FTE  
487 for the approved charter school.

488 5. Upon approval of a charter application, the initial  
489 startup shall commence with the beginning of the public school  
490 calendar for the district in which the charter is granted unless  
491 the sponsor allows a waiver of this subparagraph ~~provision~~ for  
492 good cause.

493 (g)1. The Department of Education shall offer or arrange  
494 for training and technical assistance to charter school  
495 applicants in developing business plans and estimating costs and  
496 income. This assistance shall address estimating startup costs,  
497 projecting enrollment, and identifying the types and amounts of  
498 state and federal financial assistance the charter school may  
499 ~~will~~ be eligible to receive. The department may provide other  
500 technical assistance to an applicant upon written request.

501 2. A charter school applicant must participate in the  
502 training provided by the Department of Education before filing  
503 an application. However, a sponsor may require the charter  
504 school applicant to attend training provided by the sponsor in

505 lieu of the department's training if the sponsor's training  
506 standards meet or exceed the standards developed by the  
507 Department of Education. The training shall include instruction  
508 in accurate financial planning and good business practices. If  
509 the applicant is a management company or other nonprofit  
510 organization, the charter school principal, if he or she has  
511 been hired, and a qualified representative of the management  
512 company or other nonprofit organization must also participate in  
513 the training.

514 (7) CHARTER.--The major issues involving the operation of  
515 a charter school shall be considered in advance and written into  
516 the charter. The charter shall be signed by the governing body  
517 of the charter school and the sponsor, following a public  
518 hearing to ensure community input.

519 (a) The charter shall address, ~~and~~ criteria for approval  
520 of the charter shall be based on:

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

523 2. The focus of the curriculum, the instructional methods  
524 to be used, any distinctive instructional techniques to be  
525 employed, and identification and acquisition of appropriate  
526 technologies needed to improve educational and administrative  
527 performance which include a means for promoting safe, ethical,  
528 and appropriate uses of technology which comply with legal and  
529 professional standards. The charter shall ensure that reading is  
530 a primary focus of the curriculum and that resources are  
531 provided to identify and provide specialized instruction for  
532 students who are reading below grade level. The curriculum and

533 instructional strategies for reading must be consistent with the  
534 Sunshine State Standards and grounded in scientifically based  
535 reading research.

536 3. The current incoming baseline standard of student  
537 academic achievement, the outcomes to be achieved, and the  
538 method of measurement that will be used. The criteria listed in  
539 this subparagraph shall include a detailed description ~~for each~~  
540 of ~~the following~~:

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

543 b. How these baseline rates will be compared to rates of  
544 academic progress achieved by these same students while  
545 attending the charter school.

546 c. To the extent possible, how these rates of progress  
547 will be evaluated and compared with rates of progress of other  
548 closely comparable student populations.

549

550 The district school board is required to provide academic  
551 student performance data to charter schools for each of their  
552 students coming from the district school system, as well as  
553 rates of academic progress of comparable student populations in  
554 the district school system.

555 4. The methods used to identify the educational strengths  
556 and needs of students and how well educational goals and  
557 performance standards are met by students attending the charter  
558 school. ~~Included in~~ The methods shall provide ~~is~~ a means for the  
559 charter school to ensure accountability to its constituents by  
560 analyzing student performance data and by evaluating the

561 effectiveness and efficiency of its major educational programs.  
 562 Students in charter schools shall, at a minimum, participate in  
 563 the statewide assessment program created under s. 1008.22.

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

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

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

571 8. The ways by which the school will achieve a  
 572 racial/ethnic balance reflective of the community it serves or  
 573 within the racial/ethnic range of other public schools in the  
 574 same school district.

575 9. The financial and administrative management of the  
 576 school, including a reasonable demonstration of the professional  
 577 experience or competence of those individuals or organizations  
 578 applying to operate the charter school or those hired or  
 579 retained to perform such professional services and the  
 580 description of clearly delineated responsibilities and the  
 581 policies and practices needed to effectively manage the charter  
 582 school. A description of internal audit procedures and  
 583 establishment of controls to ensure that financial resources are  
 584 properly managed must be included. Both public sector and  
 585 private sector professional experience shall be equally valid in  
 586 such a consideration.

587 10. The asset and liability projections required in the  
 588 application which are incorporated into the charter and ~~which~~

589 shall be compared with information provided in the annual report  
590 of the charter school. ~~The charter shall ensure that, if a~~  
591 ~~charter school internal audit or annual financial audit reveals~~  
592 ~~a state of financial emergency as defined in s. 218.503 or~~  
593 ~~deficit financial position, the auditors are required to notify~~  
594 ~~the charter school governing board, the sponsor, and the~~  
595 ~~Department of Education. The internal auditor shall report such~~  
596 ~~findings in the form of an exit interview to the principal or~~  
597 ~~the principal administrator of the charter school and the chair~~  
598 ~~of the governing board within 7 working days after finding the~~  
599 ~~state of financial emergency or deficit position. A final report~~  
600 ~~shall be provided to the entire governing board, the sponsor,~~  
601 ~~and the Department of Education within 14 working days after the~~  
602 ~~exit interview. When a charter school is in a state of financial~~  
603 ~~emergency, the charter school shall file a detailed financial~~  
604 ~~recovery plan with the sponsor. The department, with the~~  
605 ~~involvement of both sponsors and charter schools, shall~~  
606 ~~establish guidelines for developing such plans.~~

607 11. A description of procedures that identify various  
608 risks and provide for a comprehensive approach to reduce the  
609 impact of losses; plans to ensure the safety and security of  
610 students and staff; plans to identify, minimize, and protect  
611 others from violent or disruptive student behavior; and the  
612 manner in which the school will be insured, including whether or  
613 not the school will be required to have liability insurance,  
614 and, if so, the terms and conditions thereof and the amounts of  
615 coverage.

616 12. The term of the charter which shall provide for

617 cancellation of the charter if insufficient progress has been  
618 made in attaining the student achievement objectives of the  
619 charter and if it is not likely that such objectives can be  
620 achieved before expiration of the charter. The initial term of a  
621 charter shall be for 4 or 5 years. In order to facilitate access  
622 to long-term financial resources for charter school  
623 construction, charter schools that are operated by a  
624 municipality or other public entity as provided by law are  
625 eligible for up to a 15-year charter, subject to approval by the  
626 district school board. A charter lab school is eligible for a  
627 charter for a term of up to 15 years. In addition, to facilitate  
628 access to long-term financial resources for charter school  
629 construction, charter schools that are operated by a private,  
630 not-for-profit, s. 501(c)(3) status corporation are eligible for  
631 up to a 15-year charter, subject to approval by the district  
632 school board. Such long-term charters remain subject to annual  
633 review and may be terminated during the term of the charter, but  
634 only according to the provisions set forth in subsection (8).

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

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

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

642 16. A timetable for implementing the charter which  
643 addresses the implementation of each element thereof and the  
644 date by which the charter shall be awarded in order to meet this

645 timetable.

646 17. In the case of an existing public school that is being  
 647 converted to charter status, alternative arrangements for  
 648 current students who choose not to attend the charter school and  
 649 for current teachers who choose not to teach in the charter  
 650 school after conversion in accordance with the existing  
 651 collective bargaining agreement or district school board rule in  
 652 the absence of a collective bargaining agreement. However,  
 653 alternative arrangements shall not be required for current  
 654 teachers who choose not to teach in a charter lab school, except  
 655 as authorized by the employment policies of the state university  
 656 which grants the charter to the lab school.

657 18. Full disclosure of the identity of all relatives  
 658 employed by the charter school who are related to the charter  
 659 school owner, president, chair of the governing board of  
 660 directors, superintendent, governing board member, principal,  
 661 assistant principal, or any other person employed by the charter  
 662 school who has equivalent decisionmaking authority. For the  
 663 purpose of this subparagraph, the term "relative" means father,  
 664 mother, son, daughter, brother, sister, uncle, aunt, first  
 665 cousin, nephew, niece, husband, wife, father-in-law, mother-in-  
 666 law, son-in-law, daughter-in-law, brother-in-law, sister-in-law,  
 667 stepfather, stepmother, stepson, stepdaughter, stepbrother,  
 668 stepsister, half brother, or half sister.

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

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

672 a.1. Failure to participate in the state's education



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673 | accountability system created in s. 1008.31, as required in this  
 674 | section, or failure to meet the requirements for student  
 675 | performance stated in the charter.

676 |     ~~b.2.~~ Failure to meet generally accepted standards of  
 677 | fiscal management.

678 |     ~~c.3.~~ Violation of law.

679 |     2. The sponsor may show other good cause not to renew or  
 680 | to terminate a charter to the Commissioner of Education who may  
 681 | terminate the charter on this basis.

682 |     ~~4. Other good cause shown.~~

683 |     (d) A charter may be terminated immediately if the sponsor  
 684 | determines that good cause has been shown or if the health,  
 685 | safety, or welfare of the students is threatened. The sponsor's  
 686 | determination is not subject to an informal hearing under  
 687 | paragraph (b) or pursuant to chapter 120. The sponsor shall  
 688 | notify in writing the charter school's governing body, the  
 689 | charter school principal, and the department if a charter is  
 690 | immediately terminated. The sponsor shall clearly identify the  
 691 | specific issues that resulted in the immediate termination and  
 692 | provide evidence of prior notification of issues resulting in  
 693 | the immediate termination when appropriate. The school district  
 694 | in which the charter school is located shall assume operation of  
 695 | the school under these circumstances. The charter school's  
 696 | governing board may, within 30 days after receiving the  
 697 | sponsor's decision to terminate the charter, appeal the decision  
 698 | pursuant to the procedure established in subsection (6).

699 |     (9) CHARTER SCHOOL REQUIREMENTS.--

700 |     ~~(g) A charter school shall provide for an annual financial~~

701 ~~audit in accordance with s. 218.39. Financial audits that reveal~~  
 702 ~~a state of financial emergency as defined in s. 218.503 and are~~  
 703 ~~conducted by a certified public accountant or auditor in~~  
 704 ~~accordance with s. 218.39 shall be provided to the governing~~  
 705 ~~body of the charter school within 7 working days after finding~~  
 706 ~~that a state of financial emergency exists. When a charter~~  
 707 ~~school is found to be in a state of financial emergency by a~~  
 708 ~~certified public accountant or auditor, the charter school must~~  
 709 ~~file a detailed financial recovery plan with the sponsor within~~  
 710 ~~30 days after receipt of the audit.~~

711 (g) ~~(h)~~ In order to provide financial information that is  
 712 comparable to that reported for other public schools, charter  
 713 schools are to maintain all financial records that ~~which~~  
 714 constitute their accounting system:

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

719 2. At the discretion of the charter school governing  
 720 board, a charter school may elect to follow generally accepted  
 721 accounting standards for not-for-profit organizations, but must  
 722 reformat this information for reporting according to this  
 723 paragraph.

724  
 725 Charter schools shall provide annual financial report and  
 726 program cost report information in the state-required formats  
 727 for inclusion in district reporting in compliance with s.  
 728 1011.60(1). Charter schools that are operated by a municipality

729 or are a component unit of a parent nonprofit organization may  
730 use the accounting system of the municipality or the parent but  
731 must reformat this information for reporting according to this  
732 paragraph. A charter school shall provide a monthly financial  
733 statement to the sponsor. The content and form of the monthly  
734 financial statement shall be prescribed by the Department of  
735 Education.

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

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

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

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

746 2. Reviewing and approving the audit report, including  
747 audit findings and recommendations for the financial recovery  
748 plan.

749 3.a. Performing the duties in s. 1002.345, including  
750 monitoring a corrective action plan.

751 b. Monitoring a financial recovery plan in order to ensure  
752 compliance.

753 4. Participating in governance training approved by the  
754 department which ~~that~~ must include government in the sunshine,  
755 conflicts of interest, ethics, and financial responsibility.  
756 Members of the governing body shall not be required to attend

757 governance training more than once every 3 years.

758 (k)~~(l)~~ The governing body of the charter school shall  
759 report its progress annually to its sponsor, which shall forward  
760 the report to the Commissioner of Education at the same time as  
761 other annual school accountability reports. The Department of  
762 Education shall develop a uniform, online annual accountability  
763 report to be completed by charter schools. This report shall be  
764 easy to utilize and contain demographic information, student  
765 performance data, and financial accountability information. A  
766 charter school shall not be required to provide information and  
767 data that is duplicative and already in the possession of the  
768 department. The Department of Education shall include in its  
769 compilation a notation if a school failed to file its report by  
770 the deadline established by the department. The report shall  
771 include at least the following components:

772 1. Student achievement performance data, including the  
773 information required for the annual school report and the  
774 education accountability system governed by ss. 1008.31 and  
775 1008.345. Charter schools are subject to the same accountability  
776 requirements as other public schools, including reports of  
777 student achievement information that links baseline student data  
778 to the school's performance projections identified in the  
779 charter. The charter school shall identify reasons for any  
780 difference between projected and actual student performance.

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

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

788           4. Descriptive information about the charter school's  
789 personnel, including salary and benefit levels of charter school  
790 employees, the proportion of instructional personnel who hold  
791 professional or temporary certificates, and the proportion of  
792 instructional personnel teaching in-field or out-of-field.

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

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

798           (n)~~(o)~~ The director and a representative of the governing  
799 body of a charter school that has received a school grade of "D"  
800 under s. 1008.34(2) shall appear before the sponsor or the  
801 sponsor's staff at least once a year to present information  
802 concerning each contract component having noted deficiencies.  
803 The sponsor shall communicate at the meeting, and in writing to  
804 the director, the services provided to the school to help the  
805 school address its deficiencies.

806           (o)~~(p)~~ Upon notification that a charter school receives a  
807 school grade of "D" for 2 consecutive years or a school grade of  
808 "F" under s. 1008.34(2), the charter school sponsor or the  
809 sponsor's staff shall require the director and a representative  
810 of the governing body to submit to the sponsor for approval a  
811 school improvement plan to raise student achievement and to  
812 implement the plan. The sponsor has the authority to approve a

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813 school improvement plan that the charter school will implement  
814 in the following school year. The sponsor may also consider the  
815 State Board of Education's recommended action pursuant to s.  
816 1008.33(1) as part of the school improvement plan. The  
817 Department of Education shall offer technical assistance and  
818 training to the charter school and its governing body and  
819 establish guidelines for developing, submitting, and approving  
820 such plans.

821 1. If the charter school fails to improve its student  
822 performance from the year immediately prior to the  
823 implementation of the school improvement plan, the sponsor shall  
824 place the charter school on probation and shall require the  
825 charter school governing body to take one of the following  
826 corrective actions:

827 a. Contract for the educational services of the charter  
828 school;

829 b. Reorganize the school at the end of the school year  
830 under a new director or principal who is authorized to hire new  
831 staff and implement a plan that addresses the causes of  
832 inadequate progress; or

833 c. Reconstitute the charter school.

834 2. A charter school that is placed on probation shall  
835 continue the corrective actions required under subparagraph 1.  
836 until the charter school improves its student performance from  
837 the year prior to the implementation of the school improvement  
838 plan.

839 3. Notwithstanding any provision of this paragraph, the  
840 sponsor may terminate the charter at any time pursuant to ~~the~~

841 ~~provisions of~~ subsection (8).

842 (p) ~~(q)~~ The director and a representative of the governing  
843 body of a graded charter school that has submitted a school  
844 improvement plan or has been placed on probation under paragraph  
845 (o) ~~(p)~~ shall appear before the sponsor or the sponsor's staff  
846 at least once a year to present information regarding the  
847 corrective strategies that are being implemented by the school  
848 pursuant to the school improvement plan. The sponsor shall  
849 communicate at the meeting, and in writing to the director, the  
850 services provided to the school to help the school address its  
851 deficiencies.

852 (10) ELIGIBLE STUDENTS.--

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

855 1. Students who are siblings of a student enrolled in the  
856 charter school.

857 2. Students who are the children of a member of the  
858 governing board of the charter school.

859 3. Students who are the children of an employee of the  
860 charter school.

861 4. Students who reside in a community operated by a:

862 a. Homeowners' association as defined in s. 720.301(9) if  
863 the association permits the charter school to utilize a portion  
864 of the association's common area as defined in s. 720.301(2); or

865 b. Condominium association as defined in s. 718.103(2) if  
866 the association permits the charter school to utilize a portion  
867 of the association's property as defined in s. 718.103(3).

868 (16) EXEMPTION FROM STATUTES.--

869 (a) A charter school shall operate in accordance with its  
 870 charter and shall be exempt from all statutes in chapters 1000-  
 871 1013. However, a charter school shall be in compliance with the  
 872 following statutes in chapters 1000-1013:

873 1. Those statutes specifically applying to charter  
 874 schools, including this section.

875 2. Those statutes pertaining to the student assessment  
 876 program and school grading system.

877 3. Those statutes pertaining to the provision of services  
 878 to students with disabilities.

879 4. Those statutes pertaining to civil rights, including s.  
 880 1000.05, relating to discrimination.

881 5. Those statutes pertaining to student health, safety,  
 882 and welfare.

883 6. Those statutes pertaining to the constitutional class  
 884 size maximums pursuant to s. 1, Art. IX of the State  
 885 Constitution, including s. 1003.03.

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

888 1. Section 286.011, relating to public meetings and  
 889 records, public inspection, and criminal and civil penalties.

890 2. Chapter 119, relating to public records.

891 (20) SERVICES.--

892 (a)1. A sponsor shall provide certain administrative and  
 893 educational services to charter schools. These services shall  
 894 include contract management services; full-time equivalent and  
 895 data reporting services; exceptional student education  
 896 administration services; services related to eligibility and



897 reporting duties required to ensure that school lunch services  
898 under the federal lunch program, consistent with the needs of  
899 the charter school, are provided by the school district at the  
900 request of the charter school; test administration services,  
901 including payment of the costs of state-required or district-  
902 required student assessments; processing of teacher certificate  
903 data services; and information services, including equal access  
904 to student information systems that are used by public schools  
905 in the district in which the charter school is located. Student  
906 performance data for each student in a charter school,  
907 including, but not limited to, FCAT scores, standardized test  
908 scores, previous public school student report cards, and student  
909 performance measures, shall be provided by the sponsor to a  
910 charter school in the same manner provided to other public  
911 schools in the district.

912 2. A total administrative fee for the provision of ~~such~~  
913 services under subparagraph 1. shall be calculated based upon up  
914 to 5 percent of the available funds defined in paragraph (17)(b)  
915 for all students. However, a sponsor may only withhold up to a  
916 5-percent administrative fee for enrollment for up to and  
917 including 500 students. For charter schools with a population of  
918 501 or more students, the difference between the total  
919 administrative fee calculation and the amount of the  
920 administrative fee withheld may only be used for capital outlay  
921 purposes specified in s. 1013.62(2). Each charter school shall  
922 receive 100 percent of the funds awarded to that school pursuant  
923 to s. 1012.225. Sponsors shall not charge charter schools any  
924 additional fees or surcharges for administrative and educational

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925 services in addition to the maximum 5-percent administrative fee  
926 withheld pursuant to this subparagraph ~~paragraph~~.

927 3. The department shall develop a process, which shall be  
928 adopted by the State Board of Education in rule, to annually  
929 assess the provision of services by the sponsor under this  
930 paragraph. This process shall include a survey to be completed  
931 by each charter school that allows the school to identify its  
932 satisfaction with its sponsor's services and any areas of  
933 noncompliance with this paragraph and provides an opportunity  
934 for each sponsor to respond to the survey results. The  
935 department shall annually report the outcomes of this assessment  
936 to the State Board of Education.

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

938 (a) The Department of Education shall provide information  
939 to the public, directly and through sponsors, ~~both~~ on how to  
940 form and operate a charter school and ~~on~~ how to enroll in a  
941 charter school ~~schools~~ once it is ~~they are~~ created. This  
942 information shall include a standard application format, charter  
943 format, evaluation instrument, and charter renewal format, which  
944 shall include the information specified in subsection (7) and  
945 shall be developed by consulting and negotiating with both  
946 school districts and charter schools before implementation. The  
947 charter and charter renewal ~~These~~ formats shall be used as  
948 ~~guidelines~~ by charter school sponsors.

949 (b)1. The Department of Education shall report student  
950 assessment data pursuant to s. 1008.34(3)(c) which is reported  
951 to schools that receive a school grade or student assessment  
952 data pursuant to s. 1008.341(3) which is reported to alternative

953 schools that receive a school improvement rating to each charter  
954 school that:

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

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

959 2. The charter school shall report the information in  
960 subparagraph 1. to each parent of a student at the charter  
961 school, the parent of a child on a waiting list for the charter  
962 school, the district in which the charter school is located, and  
963 the governing board of the charter school. This paragraph does  
964 not abrogate the provisions of s. 1002.22, relating to student  
965 records, or the requirements of 20 U.S.C. s. 1232g, the Family  
966 Educational Rights and Privacy Act.

967 3.a. Pursuant to this paragraph, the Department of  
968 Education shall compare the charter school student performance  
969 data for each charter school in subparagraph 1. with the student  
970 performance data in traditional public schools in the district  
971 in which the charter school is located and other charter schools  
972 in the state. For alternative charter schools, the department  
973 shall compare the student performance data described in this  
974 paragraph with all alternative schools in the state. The  
975 comparative data shall be provided by the following grade  
976 groupings:

977 (I) Grades 3 through 5.

978 (II) Grades 6 through 8.

979 (III) Grades 9 through 11.

980 b. Each charter school shall provide the information

981 specified in this paragraph on its Internet website and also  
 982 provide notice to the public at large in a manner provided by  
 983 the rules of the State Board of Education. The State Board of  
 984 Education shall adopt rules to administer the notice  
 985 requirements of this subparagraph. The website shall include,  
 986 through links or actual content, other information related to  
 987 school performance.

988 (23) ANALYSIS OF CHARTER SCHOOL PERFORMANCE.--Upon receipt  
 989 of the annual report required by paragraph (9) (k) ~~(9) (1)~~, the  
 990 Department of Education shall provide to the State Board of  
 991 Education, the Commissioner of Education, the Governor, the  
 992 President of the Senate, and the Speaker of the House of  
 993 Representatives an analysis and comparison of the overall  
 994 performance of charter school students, to include all students  
 995 whose scores are counted as part of the statewide assessment  
 996 program, versus comparable public school students in the  
 997 district as determined by the statewide assessment program  
 998 currently administered in the school district, and other  
 999 assessments administered pursuant to s. 1008.22 (3).

1000 (24) RESTRICTION ON EMPLOYMENT OF RELATIVES.--

1001 (a) This subsection applies to charter school personnel in  
 1002 a charter school operated by a private entity. Charter school  
 1003 personnel in schools operated by a municipality or other public  
 1004 entity are subject to s. 112.3135. As used in this subsection,  
 1005 the term:

1006 1. "Charter school personnel" means a charter school  
 1007 owner, president, chair of the governing board of directors,  
 1008 superintendent, governing board member, principal, assistant

1009 principal, or any other person employed by the charter school  
 1010 who has equivalent decisionmaking authority and in whom is  
 1011 vested the authority, or to whom the authority has been  
 1012 delegated, to appoint, employ, promote, or advance individuals  
 1013 or to recommend individuals for appointment, employment,  
 1014 promotion, or advancement in connection with employment in a  
 1015 charter school, including the authority as a member of a  
 1016 governing board of a charter school to vote on the appointment,  
 1017 employment, promotion, or advancement of individuals.

1018 2. "Relative" means father, mother, son, daughter,  
 1019 brother, sister, uncle, aunt, first cousin, nephew, niece,  
 1020 husband, wife, father-in-law, mother-in-law, son-in-law,  
 1021 daughter-in-law, brother-in-law, sister-in-law, stepfather,  
 1022 stepmother, stepson, stepdaughter, stepbrother, stepsister, half  
 1023 brother, or half sister.

1024 (b)1. Charter school personnel may not knowingly recommend  
 1025 or engage in the appointment, employment, promotion, or  
 1026 advancement of an individual or employee into a position at a  
 1027 work location if that action will create a situation in which  
 1028 one employee will be responsible for the direct supervision of,  
 1029 or exercise jurisdiction or control over, another employee who  
 1030 is a relative.

1031 2. The Commissioner of Education or the charter school's  
 1032 sponsor may grant a waiver of subparagraph 1. if such  
 1033 prohibition would cause an undue hardship to students or would  
 1034 seriously disrupt a charter school's operations.

1035 3. This paragraph does not prohibit the employment of  
 1036 relatives at the same work location as long as subparagraph 1.

1037 is not violated.

1038 4. The approval of budgets does not constitute  
 1039 "jurisdiction or control" for the purposes of this paragraph.

1040 (25) STANDARDS OF CONDUCT AND FINANCIAL DISCLOSURE.--

1041 (a) A member of a governing board of a charter school,  
 1042 including a charter school operated by a private entity, is  
 1043 subject to ss. 112.313(2), (3), (7), and (12) and 112.3143(3).

1044 (b) A member of a governing board of a charter school  
 1045 operated by a municipality or other public entity is subject to  
 1046 s. 112.3144, which relates to the disclosure of financial  
 1047 interests.

1048 Section 8. Subsections (4) and (5), paragraphs (d) and (f)  
 1049 of subsection (6), paragraph (c) of subsection (10), paragraph  
 1050 (f) of subsection (11), and subsection (13) of section 1002.34,  
 1051 Florida Statutes, are amended to read:

1052 1002.34 Charter technical career centers.--

1053 (4) CHARTER.--A sponsor may designate centers as provided  
 1054 in this section. An application to establish a center may be  
 1055 submitted by a sponsor or another organization that is  
 1056 determined, by rule of the State Board of Education, to be  
 1057 appropriate. However, an independent school is not eligible for  
 1058 status as a center. The charter must be signed by the governing  
 1059 body of the center and the sponsor, and must be approved by the  
 1060 district school board and community college board of trustees in  
 1061 whose geographic region the facility is located. If a charter  
 1062 technical career center is established by the conversion to  
 1063 charter status of a public technical center formerly governed by  
 1064 a district school board, the charter status of that center takes

1065 precedence in any question of governance. The governance of the  
 1066 center or of any program within the center remains with its  
 1067 board of directors unless the board agrees to a change in  
 1068 governance or its charter is revoked as provided in subsection  
 1069 (15). Such a conversion charter technical career center is not  
 1070 affected by a change in the governance of public technical  
 1071 centers or of programs within other centers that are or have  
 1072 been governed by district school boards. A charter technical  
 1073 career center, or any program within such a center, that was  
 1074 governed by a district school board and transferred to a  
 1075 community college prior to the effective date of this act is not  
 1076 affected by this provision. An applicant who wishes to establish  
 1077 a center must submit to the district school board or community  
 1078 college board of trustees, or a consortium of one or more of  
 1079 each, an application on a form developed by the Department of  
 1080 Education which ~~that~~ includes:

- 1081 (a) The name of the proposed center.
- 1082 (b) The proposed structure of the center, including a list  
 1083 of proposed members of the board of directors or a description  
 1084 of the qualifications for and method of their appointment or  
 1085 election.
- 1086 (c) The workforce development goals of the center, the  
 1087 curriculum to be offered, and the outcomes and the methods of  
 1088 assessing the extent to which the outcomes are met.
- 1089 (d) The admissions policy and criteria for evaluating the  
 1090 admission of students.
- 1091 (e) A description of the staff responsibilities and the  
 1092 proposed qualifications of the teaching staff.

1093 (f) A description of the procedures to be implemented to  
 1094 ensure significant involvement of representatives of business  
 1095 and industry in the operation of the center.

1096 (g) A method for determining whether a student has  
 1097 satisfied the requirements for graduation specified in s.  
 1098 1003.43 and for completion of a postsecondary certificate or  
 1099 degree.

1100 (h) A method for granting secondary and postsecondary  
 1101 diplomas, certificates, and degrees.

1102 (i) A description of and address for the physical facility  
 1103 in which the center will be located.

1104 (j) A method for ~~of~~ resolving conflicts between the  
 1105 governing body of the center and the sponsor and between  
 1106 consortium members, if applicable.

1107 (k) A method for reporting student data as required by law  
 1108 and rule.

1109 (l) A statement that the applicant has participated in the  
 1110 training provided by the Department of Education.

1111 (m) The identity of all relatives employed by the charter  
 1112 technical career center who are related to the center owner,  
 1113 president, chair of the governing board of directors,  
 1114 superintendent, governing board member, principal, assistant  
 1115 principal, or any other person employed by the center who has  
 1116 equivalent decisionmaking authority. As used in this paragraph,  
 1117 the term "relative" means father, mother, son, daughter,  
 1118 brother, sister, uncle, aunt, first cousin, nephew, niece,  
 1119 husband, wife, father-in-law, mother-in-law, son-in-law,  
 1120 daughter-in-law, brother-in-law, sister-in-law, stepfather,



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1121 stepmother, stepson, stepdaughter, stepbrother, stepsister, half  
1122 brother, or half sister.

1123 (n)~~(1)~~ Other information required by the district school  
1124 board or community college board of trustees.

1125  
1126 Students at a center must meet the same testing and academic  
1127 performance standards as those established by law and rule for  
1128 students at public schools and public technical centers. The  
1129 students must also meet any additional assessment indicators  
1130 that are included within the charter approved by the district  
1131 school board or community college board of trustees.

1132 (5) APPLICATION.--An application to establish a center  
1133 must be submitted by February 1 of the year preceding the school  
1134 year in which the center will begin operation. The sponsor must  
1135 review the application using an evaluation instrument developed  
1136 by the Department of Education and make a final decision on  
1137 whether to approve the application and grant the charter by  
1138 March 1, and may condition the granting of a charter on the  
1139 center's taking certain actions or maintaining certain  
1140 conditions. Such actions and conditions must be provided to the  
1141 applicant in writing. The district school board or community  
1142 college board of trustees is not required to issue a charter to  
1143 any person.

1144 (6) SPONSOR.--A district school board or community college  
1145 board of trustees or a consortium of one or more of each may  
1146 sponsor a center in the county in which the board has  
1147 jurisdiction.

1148 (d) 1. The Department of Education shall offer or arrange

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

1156 2. An applicant must participate in the training provided  
 1157 by the Department of Education before filing an application. The  
 1158 Department of Education may provide technical assistance to an  
 1159 applicant upon written request.

1160 (f) The sponsor shall monitor and review the center's  
 1161 progress toward charter goals and shall monitor the center's  
 1162 revenues and expenditures. The sponsor shall perform the duties  
 1163 provided in s. 1002.345.

1164 (10) EXEMPTION FROM STATUTES.--

1165 (c) A center must comply with the antidiscrimination  
 1166 provisions in ~~of~~ s. 1000.05 and the provisions in s. 1002.33(24)  
 1167 which relate to the employment of relatives.

1168 (11) FUNDING.--

1169 (f) A center shall provide for an annual financial audit  
 1170 in accordance with s. 218.39. A center shall provide a monthly  
 1171 financial statement to the sponsor. The content and form of the  
 1172 monthly financial statement shall be prescribed by the  
 1173 Department of Education.

1174 (13) BOARD OF DIRECTORS AUTHORITY.--The board of directors  
 1175 of a center may decide matters relating to the operation of the  
 1176 school, including budgeting, curriculum, and operating

1177 | procedures, subject to the center's charter. The board of  
 1178 | directors is responsible for performing the duties provided in  
 1179 | s. 1002.345, including monitoring the corrective action plan.  
 1180 | The board of directors must comply with s. 1002.33(25).

1181 | Section 9. Section 1002.345, Florida Statutes, is created  
 1182 | to read:

1183 | 1002.345 Determination of deteriorating financial  
 1184 | conditions and financial emergencies for charter schools and  
 1185 | charter technical career centers.--This section applies to  
 1186 | charter schools operating pursuant to s. 1002.33 and to charter  
 1187 | technical career centers operating pursuant to s. 1002.34.

1188 | (1) EXPEDITED REVIEW; REQUIREMENTS.--

1189 | (a) A charter school or a charter technical career center  
 1190 | is subject to an expedited review by the sponsor if one of the  
 1191 | following occurs:

1192 | 1. Failure to provide for an audit required by s. 218.39.

1193 | 2. Failure to comply with reporting requirements pursuant  
 1194 | to s. 1002.33(9) or s. 1002.34(11)(f) or (14).

1195 | 3. A deteriorating financial condition identified through  
 1196 | an annual audit pursuant to s. 218.39(5) or a monthly financial  
 1197 | statement pursuant to s. 1002.33(9)(g) or s. 1002.34(11)(f).

1198 | "Deteriorating financial condition" means a circumstance that  
 1199 | significantly impairs the ability of a charter school or a  
 1200 | charter technical career center to generate enough revenues to  
 1201 | meet its expenditures without causing the occurrence of a  
 1202 | condition described in s. 218.503(1).

1203 | 4. Notification pursuant to s. 218.503(2) that one or more  
 1204 | of the conditions specified in s. 218.503(1) have occurred or

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1205 will occur if action is not taken to assist the charter school  
1206 or charter technical career center.

1207 (b) A sponsor shall notify the governing board within 7  
1208 business days after one or more of the conditions specified in  
1209 paragraph (a) occur.

1210 (c) The governing board and the sponsor shall develop a  
1211 corrective action plan and file the plan with the Commissioner  
1212 of Education within 30 business days after notification is  
1213 received as provided in paragraph (b). If the governing board  
1214 and the sponsor are unable to agree on a corrective action plan,  
1215 the Commissioner of Education shall determine the components of  
1216 the plan. The governing board shall implement such plan.

1217 (d) The governing board shall include the corrective  
1218 action plan and the status of its implementation in the annual  
1219 progress report to the sponsor which is required pursuant to s.  
1220 1002.33(9)(k) or s. 1002.34(14).

1221 (e) If the governing board fails to implement the  
1222 corrective action plan within 1 year after one or more of the  
1223 conditions specified in paragraph (a) occur, the State Board of  
1224 Education shall prescribe any steps necessary for the charter  
1225 school or the charter technical career center to comply with  
1226 state requirements.

1227 (f) The chair of the governing board shall annually appear  
1228 before the State Board of Education and report on the  
1229 implementation of the State Board of Education's requirements  
1230 under paragraph (e).

1231 (2) FINANCIAL EMERGENCY; REQUIREMENTS.--

1232 (a)1. If a financial audit conducted by a certified public

1233 accountant in accordance with s. 218.39 reveals that one or more  
 1234 of the conditions in s. 218.503(1) have occurred or will occur  
 1235 if action is not taken to assist the charter school or charter  
 1236 technical career center, the auditor shall notify the governing  
 1237 board of the charter school or charter technical career center,  
 1238 as appropriate, the sponsor, and the Commissioner of Education  
 1239 within 7 business days after the finding is made.

1240 2. If the charter school or charter technical career  
 1241 center is found to be in a state of financial emergency pursuant  
 1242 to s. 218.503(4), the charter school or charter technical career  
 1243 center shall file a financial recovery plan pursuant to s.  
 1244 218.503 with the sponsor and the Commissioner of Education  
 1245 within 30 days after being notified by the Commissioner of  
 1246 Education that a financial recovery plan is needed.

1247 (b) The governing board shall include the financial  
 1248 recovery plan and the status of its implementation in the annual  
 1249 progress report to the sponsor which is required under s.  
 1250 1002.33(9)(k) or s. 1002.34(14).

1251 (3) REPORT.--The Commissioner of Education shall annually  
 1252 report to the State Board of Education each charter school and  
 1253 charter technical career center that is subject to a financial  
 1254 recovery plan or a corrective action plan under this section.

1255 (4) RULES.--The State Board of Education shall adopt rules  
 1256 for developing financial recovery and corrective action plans,  
 1257 defining a deteriorating financial condition pursuant to  
 1258 subparagraph (1)(a)3., and establishing procedures for  
 1259 determining a deteriorating financial condition pursuant to  
 1260 subparagraph (1)(a)3. and s. 218.39(5). In adopting the rules,

1261 the State Board of Education may obtain technical assistance  
 1262 from the Auditor General.

1263 (5) TECHNICAL ASSISTANCE.--The Department of Education  
 1264 shall provide technical assistance to charter schools, charter  
 1265 technical career centers, governing boards, and sponsors in  
 1266 developing financial recovery and corrective action plans.

1267 (6) FAILURE TO CORRECT DEFICIENCIES.--The sponsor may  
 1268 decide not to renew or may terminate a charter if the charter  
 1269 school or charter technical career center fails to correct the  
 1270 deficiencies noted in the corrective action plan within 1 year  
 1271 after being notified of the deficiencies or exhibits one or more  
 1272 financial emergency conditions specified in s. 218.503 for 2  
 1273 consecutive years. This subsection does not affect a sponsor's  
 1274 authority to terminate or not renew a charter pursuant to s.  
 1275 1002.33(8).

1276 Section 10. Subsection (2) of section 1013.62, Florida  
 1277 Statutes, is amended to read:

1278 1013.62 Charter schools capital outlay funding.--

1279 (2) A charter school's governing body may use charter  
 1280 school capital outlay funds for the following purposes:

1281 (a) Purchase of real property.

1282 (b) Construction of school facilities.

1283 (c) Purchase, lease-purchase, or lease of permanent or  
 1284 relocatable school facilities.

1285 (d) Purchase of vehicles to transport students to and from  
 1286 the charter school.

1287 (e) Renovation, repair, and maintenance of school  
 1288 facilities that the charter school owns or is purchasing through

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1289 a lease-purchase or long-term lease of 5 years or longer.

1290 (f) Purchase, lease-purchase, or lease of new and  
1291 replacement equipment.

1292 (g) Payment of the cost of premiums for property and  
1293 casualty insurance necessary to insure the school.

1294

1295 Conversion charter schools may use capital outlay funds received  
1296 through the reduction in the administrative fee provided in s.  
1297 1002.33(20) for renovation, repair, and maintenance of school  
1298 facilities that are owned by the sponsor.

1299 Section 11. This act shall take effect July 1, 2009.