

By Senator Gaetz

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1                   A bill to be entitled  
2           An act relating to charter schools; amending ss.  
3           11.45, 218.39, 218.50, and 218.501, F.S., relating to  
4           audit reports by the Auditor General; conforming  
5           provisions to changes made by the act; amending ss.  
6           218.503 and 218.504, F.S.; providing that a charter  
7           technical career center is subject to certain  
8           requirements in a financial emergency; requiring that  
9           the sponsor be notified of certain conditions;  
10          providing for the development of a financial recovery  
11          plan, which may be approved by the Commissioner of  
12          Education; amending s. 1002.33, F.S.; providing for  
13          duties of a charter school sponsor and governing board  
14          if a charter school or charter technical career center  
15          experiences a deteriorating financial condition or is  
16          in a financial emergency; specifying forms to be used  
17          by a charter school applicant and sponsor; requiring  
18          applicant training and documentation; deleting  
19          requirements relating to auditing and being in a state  
20          of financial emergency; requiring charter schools to  
21          disclose the identity of relatives of charter school  
22          personnel; providing that the immediate termination of  
23          a charter is exempt from requirements for an informal  
24          hearing or for a hearing under ch. 120, F.S.;  
25          requiring that a charter school comply with  
26          constitutional limitations on class size; providing  
27          for a limitation on funding; providing for the  
28          disclosure of the performance of a charter school that  
29          is not given a school grade or school improvement

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30 rating; revising the requirements for providing  
31 certain information to the public; providing reporting  
32 requirements; providing restrictions for the  
33 employment of relatives by charter school personnel;  
34 providing that members of a charter school governing  
35 board are subject to certain standards of conduct  
36 specified in ss. 112.313 and 112.3143, F.S.; amending  
37 s. 1002.335, F.S.; eliminating the requirement for a  
38 district school board to annually seek continued  
39 exclusivity from the State Board of Education;  
40 providing for challenges to such exclusivity;  
41 providing a presumption; providing for informal  
42 hearings; specifying additional components of  
43 cosponsor agreements; amending s. 1002.34, F.S.;

44 providing additional duties for charter technical  
45 career centers, applicants, sponsors, and governing  
46 boards; requiring the Department of Education to offer  
47 or arrange training and assistance to applicants for a  
48 charter technical career center; requiring that an  
49 applicant participate in the training; creating s.  
50 1002.345, F.S.; establishing criteria and requirements  
51 for charter schools and charter technical career  
52 centers that have a deteriorating financial condition  
53 or are in a state of financial emergency; establishing  
54 requirements for charter schools, charter technical  
55 career centers, governing bodies, and sponsors;  
56 providing for corrective action and financial recovery  
57 plans; providing for duties of auditors, the  
58 Commissioner of Education, and the Department of

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

62

63 Be It Enacted by the Legislature of the State of Florida:

64

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

67 11.45 Definitions; duties; authorities; reports; rules.—

68 (7) AUDITOR GENERAL REPORTING REQUIREMENTS.—

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

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88 career center, or district school board has met one or more of  
89 the conditions specified in s. 218.503, he or she shall notify  
90 the Governor or the Commissioner of Education, as appropriate,  
91 and the Legislative Auditing Committee.

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

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

106 218.39 Annual financial audit reports.—

107 (5) At the conclusion of the audit, the auditor shall  
108 discuss with the chair of each local governmental entity or the  
109 chair's designee, or with the elected official of each county  
110 agency or with the elected official's designee, or with the  
111 chair of the district school board or the chair's designee, or  
112 with the chair of the board of the charter school or the chair's  
113 designee, or with the chair of the charter technical career  
114 center or the chair's designee, as appropriate, all of the  
115 auditor's comments that will be included in the audit report. If  
116 the officer is not available to discuss the auditor's comments,

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117 their discussion is presumed when the comments are delivered in  
118 writing to his or her office. The auditor shall notify each  
119 member of the governing body of a local governmental entity,  
120 district school board, ~~or~~ charter school, or charter technical  
121 career center for which deteriorating financial conditions exist  
122 that may cause a condition described in s. 218.503(1) to occur  
123 if actions are not taken to address such conditions.

124 Section 3. Section 218.50, Florida Statutes, is amended to  
125 read:

126 218.50 Short title.—Sections 218.50-218.504 may be cited as  
127 the "Local Governmental Entity, Charter School, Charter  
128 Technical Career Center, and District School Board Financial  
129 Emergencies Act."

130 Section 4. Section 218.501, Florida Statutes, is amended to  
131 read:

132 218.501 Purposes.—The purposes of ss. 218.50-218.504 are:

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

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

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

144 Section 5. Subsections (1), (2), (3), and (4) of section  
145 218.503, Florida Statutes, are amended to read:

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146 218.503 Determination of financial emergency.—

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

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

157 (b) Failure to pay uncontested claims from creditors within  
158 90 days after the claim is presented, as a result of a lack of  
159 funds.

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

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

163 2. Employer and employee contributions for:

164 a. Federal social security; or

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

166 (d) Failure for one pay period to pay, due to lack of  
167 funds:

168 1. Wages and salaries owed to employees; or

169 2. Retirement benefits owed to former employees.

170 (e) An unreserved or total fund balance or retained  
171 earnings deficit, or unrestricted or total net assets deficit,  
172 as reported on the balance sheet or statement of net assets on  
173 the general purpose or fund financial statements, for which  
174 sufficient resources of the local governmental entity, as

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175 reported on the balance sheet or statement of net assets on the  
176 general purpose or fund financial statements, are not available  
177 to cover the deficit. Resources available to cover reported  
178 deficits include net assets that are not otherwise restricted by  
179 federal, state, or local laws, bond covenants, contractual  
180 agreements, or other legal constraints. Fixed or capital assets,  
181 the disposal of which would impair the ability of a local  
182 governmental entity to carry out its functions, are not  
183 considered resources available to cover reported deficits.

184 (2) A local governmental entity shall notify the Governor  
185 and the Legislative Auditing Committee, a charter school shall  
186 notify the charter school sponsor, the Commissioner of  
187 Education, and the Legislative Auditing Committee, a charter  
188 technical career center shall notify the charter technical  
189 career center sponsor, the Commissioner of Education, and the  
190 Legislative Auditing Committee, and a district school board  
191 shall notify the Commissioner of Education and the Legislative  
192 Auditing Committee, when one or more of the conditions specified  
193 in subsection (1) have occurred or will occur if action is not  
194 taken to assist the local governmental entity, charter school,  
195 charter technical career center, or district school board. In  
196 addition, any state agency must, within 30 days after a  
197 determination that one or more of the conditions specified in  
198 subsection (1) have occurred or will occur if action is not  
199 taken to assist the local governmental entity, charter school,  
200 charter technical career center, or district school board,  
201 notify the Governor, charter school sponsor, charter technical  
202 career center sponsor, or the Commissioner of Education, as  
203 appropriate, and the Legislative Auditing Committee.

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204 (3) Upon notification that one or more of the conditions in  
205 subsection (1) have occurred or will occur if action is not  
206 taken to assist the local governmental entity or district school  
207 board exist, the Governor or his or her designee shall contact  
208 the local governmental entity or the Commissioner of Education  
209 or his or her designee shall contact the district school board  
210 to determine what actions have been taken by the local  
211 governmental entity or the district school board to resolve or  
212 prevent the condition. The Governor or the Commissioner of  
213 Education, as appropriate, shall determine whether the local  
214 governmental entity or the district school board needs state  
215 assistance to resolve or prevent the condition. If state  
216 assistance is needed, the local governmental entity or district  
217 school board is considered to be in a state of financial  
218 emergency. The Governor or the Commissioner of Education, as  
219 appropriate, has the authority to implement measures as set  
220 forth in ss. 218.50-218.504 to assist the local governmental  
221 entity or district school board in resolving the financial  
222 emergency. Such measures may include, but are not limited to:

223 (a) Requiring approval of the local governmental entity's  
224 budget by the Governor or approval of the district school  
225 board's budget by the Commissioner of Education.

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

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

232 (d) Making such inspections and reviews of records,

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233 information, reports, and assets of the local governmental  
234 entity or district school board. The appropriate local officials  
235 shall cooperate in such inspections and reviews.

236 (e) Consulting with officials and auditors of the local  
237 governmental entity or the district school board and the  
238 appropriate state officials regarding any steps necessary to  
239 bring the books of account, accounting systems, financial  
240 procedures, and reports into compliance with state requirements.

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

243 (g)1. Establishing a financial emergency board to oversee  
244 the activities of the local governmental entity or the district  
245 school board. If a financial emergency board is established for  
246 a local governmental entity, the Governor shall appoint board  
247 members and select a chair. If a financial emergency board is  
248 established for a district school board, the State Board of  
249 Education shall appoint board members and select a chair. The  
250 financial emergency board shall adopt such rules as are  
251 necessary for conducting board business. The board may:

252 a. Make such reviews of records, reports, and assets of the  
253 local governmental entity or the district school board as are  
254 needed.

255 b. Consult with officials and auditors of the local  
256 governmental entity or the district school board and the  
257 appropriate state officials regarding any steps necessary to  
258 bring the books of account, accounting systems, financial  
259 procedures, and reports of the local governmental entity or the  
260 district school board into compliance with state requirements.

261 c. Review the operations, management, efficiency,

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262 productivity, and financing of functions and operations of the  
263 local governmental entity or the district school board.

264 2. The recommendations and reports made by the financial  
265 emergency board must be submitted to the Governor for local  
266 governmental entities or to the Commissioner of Education and  
267 the State Board of Education for district school boards for  
268 appropriate action.

269 (h) Requiring and approving a plan, to be prepared by  
270 officials of the local governmental entity or the district  
271 school board in consultation with the appropriate state  
272 officials, prescribing actions that will cause the local  
273 governmental entity or district school board to no longer be  
274 subject to this section. The plan must include, but need not be  
275 limited to:

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

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

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

283 (4) (a) Upon notification that one or more of the conditions  
284 in subsection (1) have occurred or will occur if action is not  
285 taken to assist the charter school ~~exist~~, the charter school  
286 sponsor or the sponsor's designee and the Commissioner of  
287 Education shall contact the charter school governing body to  
288 determine what actions have been taken by the charter school  
289 governing body to resolve or prevent the condition. The  
290 Commissioner of Education ~~charter school sponsor~~ has the

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291 authority to require and approve a financial recovery plan, to  
292 be prepared by the charter school governing body, prescribing  
293 actions that will resolve or prevent the condition ~~cause the~~  
294 ~~charter school to no longer be subject to this section. The~~  
295 ~~Department of Education shall establish guidelines for~~  
296 ~~developing such plans.~~

297 (b) Upon notification that one or more of the conditions in  
298 subsection (1) have occurred or will occur if action is not  
299 taken to assist the charter technical career center, the charter  
300 technical career center sponsor or the sponsor's designee and  
301 the Commissioner of Education shall contact the charter  
302 technical career center governing body to determine what actions  
303 have been taken by the governing body to resolve or prevent the  
304 condition. The Commissioner of Education may require and approve  
305 a financial recovery plan, to be prepared by the charter  
306 technical career center governing body, prescribing actions that  
307 will resolve or prevent the condition.

308 (c) The Commissioner of Education shall determine if the  
309 charter school or charter technical career center needs a  
310 financial recovery plan to resolve the condition. If the  
311 Commissioner of Education determines that a financial recovery  
312 plan is needed, the charter school or charter technical career  
313 center is considered to be in a state of financial emergency.

314  
315 The Department of Education, with the involvement of sponsors,  
316 charter schools, and charter technical career centers, shall  
317 establish guidelines for developing a financial recovery plan.

318 Section 6. Section 218.504, Florida Statutes, is amended to  
319 read:

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320           218.504 Cessation of state action.—The Governor or the  
 321 Commissioner of Education, as appropriate, has the authority to  
 322 terminate all state actions pursuant to ss. 218.50-218.504.  
 323 Cessation of state action must not occur until the Governor or  
 324 the Commissioner of Education, as appropriate, has determined  
 325 that:

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

328           (a) Has established and is operating an effective financial  
 329 accounting and reporting system.

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

331           (2) None of the conditions outlined in s. 218.503(1)  
 332 exists.

333           Section 7. Paragraph (b) of subsection (5), paragraphs (a),  
 334 (b), and (g) of subsection (6), paragraph (a) of subsection (7),  
 335 paragraph (d) of subsection (8), paragraphs (g) through (q) of  
 336 subsection (9), and subsections (16), (17), (21), and (23) of  
 337 section 1002.33, Florida Statutes, are amended, present  
 338 subsection (24) of that section is redesignated as subsection  
 339 (26), and new subsections (24) and (25) are added to that  
 340 section, to read:

341           1002.33 Charter schools.—

342           (5) SPONSOR; DUTIES.—

343           (b) *Sponsor duties*.—

344           1.a. The sponsor shall monitor and review the charter  
 345 school in its progress toward the goals established in the  
 346 charter.

347           b. The sponsor shall monitor the revenues and expenditures  
 348 of the charter school and perform the duties provided in s.

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349 1002.345.

350 c. The sponsor may approve a charter for a charter school  
351 before the applicant has secured space, equipment, or personnel,  
352 if the applicant indicates approval is necessary for it to raise  
353 working funds.

354 d. The sponsor's policies shall not apply to a charter  
355 school unless mutually agreed to by both the sponsor and the  
356 charter school.

357 e. The sponsor shall ensure that the charter is innovative  
358 and consistent with the state education goals established by s.  
359 1000.03(5).

360 f. The sponsor shall ensure that the charter school  
361 participates in the state's education accountability system. If  
362 a charter school falls short of performance measures included in  
363 the approved charter, the sponsor shall report such shortcomings  
364 to the Department of Education.

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

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

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

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

377 2. Immunity for the sponsor of a charter school under

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378 subparagraph 1. applies only with respect to acts or omissions  
379 not under the sponsor's direct authority as described in this  
380 section.

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

384 4. A community college may work with the school district or  
385 school districts in its designated service area to develop  
386 charter schools that offer secondary education. These charter  
387 schools must include an option for students to receive an  
388 associate degree upon high school graduation. District school  
389 boards shall cooperate with and assist the community college on  
390 the charter application. Community college applications for  
391 charter schools are not subject to the time deadlines outlined  
392 in subsection (6) and may be approved by the district school  
393 board at any time during the year. Community colleges may ~~shall~~  
394 not report FTE for any students who receive FTE funding through  
395 the Florida Education Finance Program.

396 (6) APPLICATION PROCESS AND REVIEW.—Charter school  
397 applications are subject to the following requirements:

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

402 1. Demonstrates how the school will use the guiding  
403 principles and meet the statutorily defined purpose of a charter  
404 school.

405 2. Provides a detailed curriculum plan that illustrates how  
406 students will be provided services to attain the Sunshine State

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407 Standards.

408 3. Contains goals and objectives for improving student  
409 learning and measuring that improvement. These goals and  
410 objectives must indicate how much academic improvement students  
411 are expected to show each year, how success will be evaluated,  
412 and the specific results to be attained through instruction.

413 4. Describes the reading curriculum and differentiated  
414 strategies that will be used for students reading at grade level  
415 or higher and a separate curriculum and strategies for students  
416 who are reading below grade level. A sponsor shall deny a  
417 charter if the school does not propose a reading curriculum that  
418 is consistent with effective teaching strategies that are  
419 grounded in scientifically based reading research.

420 5. Contains an annual financial plan for each year  
421 requested by the charter for operation of the school for up to 5  
422 years. This plan must contain anticipated fund balances based on  
423 revenue projections, a spending plan based on projected revenues  
424 and expenses, and a description of controls that will safeguard  
425 finances and projected enrollment trends.

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

430 (b) A sponsor shall receive and review all applications for  
431 a charter school using an evaluation instrument developed by the  
432 Department of Education. A sponsor may require an applicant to  
433 provide additional information as an addendum to this evaluation  
434 instrument. Beginning with the 2007-2008 school year, a sponsor  
435 shall receive and consider charter school applications received

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436 on or before August 1 of each calendar year for charter schools  
437 to be opened at the beginning of the school district's next  
438 school year, or to be opened at a time agreed to by the  
439 applicant and the sponsor. A sponsor may receive applications  
440 later than this date if it chooses. A sponsor may not charge an  
441 applicant for a charter any fee for the processing or  
442 consideration of an application, and a sponsor may not base its  
443 consideration or approval of an application upon the promise of  
444 future payment of any kind.

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

454 2. In order to ensure fiscal responsibility, an application  
455 for a charter school shall include a full accounting of expected  
456 assets, a projection of expected sources and amounts of income,  
457 including income derived from projected student enrollments and  
458 from community support, and an expense projection that includes  
459 full accounting of the costs of operation, including start-up  
460 costs.

461 3. A sponsor shall by a majority vote approve or deny an  
462 application no later than 60 calendar days after the application  
463 is received, unless the sponsor and the applicant mutually agree  
464 in writing to temporarily postpone the vote to a specific date,

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465 at which time the sponsor shall by a majority vote approve or  
466 deny the application. If the sponsor fails to act on the  
467 application, an applicant may appeal to the State Board of  
468 Education as provided in paragraph (c). If an application is  
469 denied, the sponsor shall, within 10 calendar days after such  
470 denial, articulate in writing the specific reasons, based upon  
471 good cause, supporting its denial of the charter application and  
472 shall provide the letter of denial and supporting documentation  
473 to the applicant and to the Department of Education supporting  
474 those reasons.

475 4. For budget projection purposes, the sponsor shall report  
476 to the Department of Education the approval or denial of a  
477 charter application within 10 calendar days after such approval  
478 or denial. In the event of approval, the report to the  
479 Department of Education shall include the final projected FTE  
480 for the approved charter school.

481 5. Upon approval of a charter application, the initial  
482 startup shall commence with the beginning of the public school  
483 calendar for the district in which the charter is granted unless  
484 the sponsor allows a waiver of this subparagraph ~~provision~~ for  
485 good cause.

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

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494       2. A charter school applicant must participate in the  
495 training provided by the Department of Education before filing  
496 an application. However, a sponsor may require the charter  
497 school applicant to attend training provided by the sponsor in  
498 lieu of the department's training if the sponsor's training  
499 standards meet or exceed the standards developed by the  
500 Department of Education. The training shall include instruction  
501 in accurate financial planning and good business practices. If  
502 the applicant is a management company or other nonprofit  
503 organization, the charter school principal and the chief  
504 financial officer must also participate in the training.

505       (7) CHARTER.—The major issues involving the operation of a  
506 charter school shall be considered in advance and written into  
507 the charter. The charter shall be signed by the governing body  
508 of the charter school and the sponsor, following a public  
509 hearing to ensure community input.

510       (a) The charter shall address ~~7~~ and criteria for approval of  
511 the charter shall be based on:

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

514       2. The focus of the curriculum, the instructional methods  
515 to be used, any distinctive instructional techniques to be  
516 employed, and identification and acquisition of appropriate  
517 technologies needed to improve educational and administrative  
518 performance which include a means for promoting safe, ethical,  
519 and appropriate uses of technology which comply with legal and  
520 professional standards. The charter shall ensure that reading is  
521 a primary focus of the curriculum and that resources are  
522 provided to identify and provide specialized instruction for

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523 students who are reading below grade level. The curriculum and  
524 instructional strategies for reading must be consistent with the  
525 Sunshine State Standards and grounded in scientifically based  
526 reading research.

527 3. The current incoming baseline standard of student  
528 academic achievement, the outcomes to be achieved, and the  
529 method of measurement that will be used. The criteria listed in  
530 this subparagraph shall include a detailed description ~~for each~~  
531 of ~~the following~~:

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

534 b. How these baseline rates will be compared to rates of  
535 academic progress achieved by these same students while  
536 attending the charter school.

537 c. To the extent possible, how these rates of progress will  
538 be evaluated and compared with rates of progress of other  
539 closely comparable student populations.

540

541 The district school board is required to provide academic  
542 student performance data to charter schools for each of their  
543 students coming from the district school system, as well as  
544 rates of academic progress of comparable student populations in  
545 the district school system.

546 4. The methods used to identify the educational strengths  
547 and needs of students and how well educational goals and  
548 performance standards are met by students attending the charter  
549 school. ~~Included in~~ The methods shall provide ~~is~~ a means for the  
550 charter school to ensure accountability to its constituents by  
551 analyzing student performance data and by evaluating the

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

555 5. In secondary charter schools, a method for determining  
556 that a student has satisfied the requirements for graduation in  
557 s. 1003.43.

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

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

562 8. The ways by which the school will achieve a  
563 racial/ethnic balance reflective of the community it serves or  
564 within the racial/ethnic range of other public schools in the  
565 same school district.

566 9. The financial and administrative management of the  
567 school, including a reasonable demonstration of the professional  
568 experience or competence of those individuals or organizations  
569 applying to operate the charter school or those hired or  
570 retained to perform such professional services and the  
571 description of clearly delineated responsibilities and the  
572 policies and practices needed to effectively manage the charter  
573 school. A description of internal audit procedures and  
574 establishment of controls to ensure that financial resources are  
575 properly managed must be included. Both public sector and  
576 private sector professional experience shall be equally valid in  
577 such a consideration.

578 10. The asset and liability projections required in the  
579 application which are incorporated into the charter and ~~which~~  
580 shall be compared with information provided in the annual report

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

598 11. A description of procedures that identify various risks  
599 and provide for a comprehensive approach to reduce the impact of  
600 losses; plans to ensure the safety and security of students and  
601 staff; plans to identify, minimize, and protect others from  
602 violent or disruptive student behavior; and the manner in which  
603 the school will be insured, including whether or not the school  
604 will be required to have liability insurance, and, if so, the  
605 terms and conditions thereof and the amounts of coverage.

606 12. The term of the charter which shall provide for  
607 cancellation of the charter if insufficient progress has been  
608 made in attaining the student achievement objectives of the  
609 charter and if it is not likely that such objectives can be

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610 achieved before expiration of the charter. The initial term of a  
611 charter shall be for 4 or 5 years. In order to facilitate access  
612 to long-term financial resources for charter school  
613 construction, charter schools that are operated by a  
614 municipality or other public entity as provided by law are  
615 eligible for up to a 15-year charter, subject to approval by the  
616 district school board. A charter lab school is eligible for a  
617 charter for a term of up to 15 years. In addition, to facilitate  
618 access to long-term financial resources for charter school  
619 construction, charter schools that are operated by a private,  
620 not-for-profit, s. 501(c)(3) status corporation are eligible for  
621 up to a 15-year charter, subject to approval by the district  
622 school board. Such long-term charters remain subject to annual  
623 review and may be terminated during the term of the charter, but  
624 only according to the provisions set forth in subsection (8).

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

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

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

632 16. A timetable for implementing the charter which  
633 addresses the implementation of each element thereof and the  
634 date by which the charter shall be awarded in order to meet this  
635 timetable.

636 17. In the case of an existing public school that is being  
637 converted to charter status, alternative arrangements for  
638 current students who choose not to attend the charter school and

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639 for current teachers who choose not to teach in the charter  
640 school after conversion in accordance with the existing  
641 collective bargaining agreement or district school board rule in  
642 the absence of a collective bargaining agreement. However,  
643 alternative arrangements shall not be required for current  
644 teachers who choose not to teach in a charter lab school, except  
645 as authorized by the employment policies of the state university  
646 which grants the charter to the lab school.

647 18. Full disclosure of the identity of all relatives  
648 employed by the charter school who are related to the charter  
649 school owner, president, chairperson of the governing board of  
650 directors, superintendent, governing board member, principal,  
651 assistant principal, or any other person employed by the charter  
652 school who has equivalent decisionmaking authority. For the  
653 purpose of this subparagraph, the term "relative" means father,  
654 mother, son, daughter, brother, sister, uncle, aunt, first  
655 cousin, nephew, niece, husband, wife, father-in-law, mother-in-  
656 law, son-in-law, daughter-in-law, brother-in-law, sister-in-law,  
657 stepfather, stepmother, stepson, stepdaughter, stepbrother,  
658 stepsister, half brother, or half sister.

659 (8) CAUSES FOR NONRENEWAL OR TERMINATION OF CHARTER.—

660 (d) A charter may be terminated immediately if the sponsor  
661 determines that good cause has been shown or if the health,  
662 safety, or welfare of the students is threatened. The sponsor's  
663 determination is not subject to an informal hearing under  
664 paragraph (b) or pursuant to chapter 120. The sponsor shall  
665 notify in writing the charter school's governing body, the  
666 charter school principal, and the department if a charter is  
667 immediately terminated. The sponsor shall clearly identify the

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668 specific issues that resulted in the immediate termination and  
669 provide evidence of prior notification of issues resulting in  
670 the immediate termination when appropriate. The school district  
671 in which the charter school is located shall assume operation of  
672 the school under these circumstances. The charter school's  
673 governing board may, within 30 days after receiving the  
674 sponsor's decision to terminate the charter, appeal the decision  
675 pursuant to the procedure established in subsection (6).

676 (9) CHARTER SCHOOL REQUIREMENTS.—

677 ~~(g) A charter school shall provide for an annual financial~~  
678 ~~audit in accordance with s. 218.39. Financial audits that reveal~~  
679 ~~a state of financial emergency as defined in s. 218.503 and are~~  
680 ~~conducted by a certified public accountant or auditor in~~  
681 ~~accordance with s. 218.39 shall be provided to the governing~~  
682 ~~body of the charter school within 7 working days after finding~~  
683 ~~that a state of financial emergency exists. When a charter~~  
684 ~~school is found to be in a state of financial emergency by a~~  
685 ~~certified public accountant or auditor, the charter school must~~  
686 ~~file a detailed financial recovery plan with the sponsor within~~  
687 ~~30 days after receipt of the audit.~~

688 (g)(h) In order to provide financial information that is  
689 comparable to that reported for other public schools, charter  
690 schools are to maintain all financial records that ~~which~~  
691 constitute their accounting system:

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

696 2. At the discretion of the charter school governing board,

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697 a charter school may elect to follow generally accepted  
 698 accounting standards for not-for-profit organizations, but must  
 699 reformat this information for reporting according to this  
 700 paragraph.

701  
 702 Charter schools shall provide annual financial report and  
 703 program cost report information in the state-required formats  
 704 for inclusion in district reporting in compliance with s.  
 705 1011.60(1). Charter schools that are operated by a municipality  
 706 or are a component unit of a parent nonprofit organization may  
 707 use the accounting system of the municipality or the parent but  
 708 must reformat this information for reporting according to this  
 709 paragraph. A charter school shall provide a monthly financial  
 710 statement to the sponsor. The monthly financial statement shall  
 711 be in a form prescribed by the Department of Education.

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

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

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

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

722 2. Reviewing and approving the audit report, including  
 723 audit findings and recommendations for the financial recovery  
 724 plan.

725 3.a. Performing the duties in s. 1002.345, including

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726 monitoring a corrective action plan.

727 b. Monitoring a financial recovery plan in order to ensure  
728 compliance.

729 4. Participating in governance training approved by the  
730 department which ~~that~~ must include government in the sunshine,  
731 conflicts of interest, ethics, and financial responsibility.

732 (k) ~~(l)~~ The governing body of the charter school shall  
733 report its progress annually to its sponsor, which shall forward  
734 the report to the Commissioner of Education at the same time as  
735 other annual school accountability reports. The Department of  
736 Education shall develop a uniform, online annual accountability  
737 report to be completed by charter schools. This report shall be  
738 easy to utilize and contain demographic information, student  
739 performance data, and financial accountability information. A  
740 charter school shall not be required to provide information and  
741 data that is duplicative and already in the possession of the  
742 department. The Department of Education shall include in its  
743 compilation a notation if a school failed to file its report by  
744 the deadline established by the department. The report shall  
745 include at least the following components:

746 1. Student achievement performance data, including the  
747 information required for the annual school report and the  
748 education accountability system governed by ss. 1008.31 and  
749 1008.345. Charter schools are subject to the same accountability  
750 requirements as other public schools, including reports of  
751 student achievement information that links baseline student data  
752 to the school's performance projections identified in the  
753 charter. The charter school shall identify reasons for any  
754 difference between projected and actual student performance.

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

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

762           4. Descriptive information about the charter school's  
763 personnel, including salary and benefit levels of charter school  
764 employees, the proportion of instructional personnel who hold  
765 professional or temporary certificates, and the proportion of  
766 instructional personnel teaching in-field or out-of-field.

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

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

772           (n)~~(o)~~ The director and a representative of the governing  
773 body of a charter school that has received a school grade of "D"  
774 under s. 1008.34(2) shall appear before the sponsor or the  
775 sponsor's staff at least once a year to present information  
776 concerning each contract component having noted deficiencies.  
777 The sponsor shall communicate at the meeting, and in writing to  
778 the director, the services provided to the school to help the  
779 school address its deficiencies.

780           (o)~~(p)~~ Upon notification that a charter school receives a  
781 school grade of "D" for 2 consecutive years or a school grade of  
782 "F" under s. 1008.34(2), the charter school sponsor or the  
783 sponsor's staff shall require the director and a representative

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784 of the governing body to submit to the sponsor for approval a  
785 school improvement plan to raise student achievement and to  
786 implement the plan. The sponsor has the authority to approve a  
787 school improvement plan that the charter school will implement  
788 in the following school year. The sponsor may also consider the  
789 State Board of Education's recommended action pursuant to s.  
790 1008.33(1) as part of the school improvement plan. The  
791 Department of Education shall offer technical assistance and  
792 training to the charter school and its governing body and  
793 establish guidelines for developing, submitting, and approving  
794 such plans.

795 1. If the charter school fails to improve its student  
796 performance from the year immediately prior to the  
797 implementation of the school improvement plan, the sponsor shall  
798 place the charter school on probation and shall require the  
799 charter school governing body to take one of the following  
800 corrective actions:

801 a. Contract for the educational services of the charter  
802 school;

803 b. Reorganize the school at the end of the school year  
804 under a new director or principal who is authorized to hire new  
805 staff and implement a plan that addresses the causes of  
806 inadequate progress; or

807 c. Reconstitute the charter school.

808 2. A charter school that is placed on probation shall  
809 continue the corrective actions required under subparagraph 1.  
810 until the charter school improves its student performance from  
811 the year prior to the implementation of the school improvement  
812 plan.

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

816 (p) ~~(q)~~ The director and a representative of the governing  
817 body of a graded charter school that has submitted a school  
818 improvement plan or has been placed on probation under paragraph  
819 (o) ~~(p)~~ shall appear before the sponsor or the sponsor's staff  
820 at least once a year to present information regarding the  
821 corrective strategies that are being implemented by the school  
822 pursuant to the school improvement plan. The sponsor shall  
823 communicate at the meeting, and in writing to the director, the  
824 services provided to the school to help the school address its  
825 deficiencies.

826 (16) EXEMPTION FROM STATUTES.—

827 (a) A charter school shall operate in accordance with its  
828 charter and shall be exempt from all statutes in chapters 1000-  
829 1013. However, a charter school shall be in compliance with the  
830 following statutes in chapters 1000-1013:

831 1. Those statutes specifically applying to charter schools,  
832 including this section.

833 2. Those statutes pertaining to the student assessment  
834 program and school grading system.

835 3. Those statutes pertaining to the provision of services  
836 to students with disabilities.

837 4. Those statutes pertaining to civil rights, including s.  
838 1000.05, relating to discrimination.

839 5. Those statutes pertaining to student health, safety, and  
840 welfare.

841 6. Those statutes pertaining to the constitutional class

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842 size maximums pursuant to s. 1, Art. IX of the State  
843 Constitution, including s. 1003.03.

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

846 1. Section 286.011, relating to public meetings and  
847 records, public inspection, and criminal and civil penalties.

848 2. Chapter 119, relating to public records.

849 (17) FUNDING.—Students enrolled in a charter school,  
850 regardless of the sponsorship, shall be funded as if they are in  
851 a basic program or a special program, the same as students  
852 enrolled in other public schools in the school district. Funding  
853 for a charter lab school shall be as provided in s. 1002.32.  
854 Beginning in the 2010-2011 school year, the maximum number of  
855 students eligible to be funded in any core-curricula classroom  
856 of any charter school shall be the maximum number prescribed in  
857 s. 1, Art. IX of the State Constitution.

858 (a) Each charter school shall report its student enrollment  
859 to the sponsor as required in s. 1011.62, and in accordance with  
860 the definitions in s. 1011.61. The sponsor shall include each  
861 charter school's enrollment in the district's report of student  
862 enrollment. All charter schools submitting student record  
863 information required by the Department of Education shall comply  
864 with the Department of Education's guidelines for electronic  
865 data formats for such data, and all districts shall accept  
866 electronic data that complies with the Department of Education's  
867 electronic format.

868 (b) The basis for the agreement for funding students  
869 enrolled in a charter school shall be the sum of the school  
870 district's operating funds from the Florida Education Finance

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871 Program as provided in s. 1011.62 and the General Appropriations  
872 Act, including gross state and local funds, discretionary  
873 lottery funds, and funds from the school district's current  
874 operating discretionary millage levy; divided by total funded  
875 weighted full-time equivalent students in the school district;  
876 multiplied by the weighted full-time equivalent students for the  
877 charter school. Charter schools whose students or programs meet  
878 the eligibility criteria in law shall be entitled to their  
879 proportionate share of categorical program funds included in the  
880 total funds available in the Florida Education Finance Program  
881 by the Legislature, including transportation. Total funding for  
882 each charter school shall be recalculated during the year to  
883 reflect the revised calculations under the Florida Education  
884 Finance Program by the state and the actual weighted full-time  
885 equivalent students reported by the charter school during the  
886 full-time equivalent student survey periods designated by the  
887 Commissioner of Education.

888 (c) If the district school board is providing programs or  
889 services to students funded by federal funds, any eligible  
890 students enrolled in charter schools in the school district  
891 shall be provided federal funds for the same level of service  
892 provided students in the schools operated by the district school  
893 board. Pursuant to provisions of 20 U.S.C. 8061 s. 10306, all  
894 charter schools shall receive all federal funding for which the  
895 school is otherwise eligible, including Title I funding, not  
896 later than 5 months after the charter school first opens and  
897 within 5 months after any subsequent expansion of enrollment.

898 (d) District school boards shall make timely and efficient  
899 payment and reimbursement to charter schools, including

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900 processing paperwork required to access special state and  
901 federal funding for which they may be eligible. The district  
902 school board may distribute funds to a charter school for up to  
903 3 months based on the projected full-time equivalent student  
904 membership of the charter school. Thereafter, the results of  
905 full-time equivalent student membership surveys shall be used in  
906 adjusting the amount of funds distributed monthly to the charter  
907 school for the remainder of the fiscal year. The payment shall  
908 be issued no later than 10 working days after the district  
909 school board receives a distribution of state or federal funds.  
910 If a warrant for payment is not issued within 10 working days  
911 after receipt of funding by the district school board, the  
912 school district shall pay to the charter school, in addition to  
913 the amount of the scheduled disbursement, interest at a rate of  
914 1 percent per month calculated on a daily basis on the unpaid  
915 balance from the expiration of the 10 working days until such  
916 time as the warrant is issued.

917 (21) PUBLIC INFORMATION ON CHARTER SCHOOLS.—

918 (a) The Department of Education shall provide information  
919 to the public, directly and through sponsors, ~~both~~ on how to  
920 form and operate a charter school and ~~on~~ how to enroll in a  
921 charter school ~~schools~~ once it is ~~they are~~ created. This  
922 information shall include a standard application format, charter  
923 format, evaluation instrument, and charter renewal format, which  
924 shall include the information specified in subsection (7) and  
925 shall be developed by consulting and negotiating with ~~both~~  
926 school districts, the Florida Schools of Excellence Commission,  
927 and charter schools before implementation. The charter and  
928 charter renewal ~~These~~ formats shall be used as guidelines by

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929 charter school sponsors.

930 (b)1. The Department of Education shall report student  
931 assessment data pursuant to s. 1008.34(3)(c) which is reported  
932 to schools that receive a school grade or student assessment  
933 data pursuant to s. 1008.341(3) which is reported to alternative  
934 schools that receive a school improvement rating to each charter  
935 school that:

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

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

940 2. The charter school shall report the information in  
941 subparagraph 1. to each parent of a student at the charter  
942 school, the parent of a child on a waiting list for the charter  
943 school, the district in which the charter school is located, and  
944 the governing board of the charter school. This paragraph does  
945 not abrogate the provisions of s. 1002.22, relating to student  
946 records, or the requirements of 20 U.S.C. s. 1232g, the Family  
947 Educational Rights and Privacy Act.

948 3.a. Pursuant to this paragraph, the Department of  
949 Education shall compare the charter school student performance  
950 data for each charter school in subparagraph 1. with the student  
951 performance data in traditional public schools in the district  
952 in which the charter school is located and other charter schools  
953 in the state. For alternative charter schools, the department  
954 shall compare the student performance data described in this  
955 paragraph with all alternative schools in the state. The  
956 comparative data shall be provided by the following grade  
957 groupings:

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- 958       (I) Grades 3 through 5;  
959       (II) Grades 6 through 8; and  
960       (III) Grades 9 through 11.

961       b. Each charter school shall provide the information  
962 specified in this paragraph on its Internet website and also  
963 provide notice to the public at large in a manner provided by  
964 the rules of the State Board of Education. The State Board of  
965 Education shall adopt rules to administer the notice  
966 requirements of this subparagraph pursuant to ss. 120.536(1) and  
967 120.54. The website shall include, through links or actual  
968 content, other information related to school performance.

969       (23) ANALYSIS OF CHARTER SCHOOL PERFORMANCE.—Upon receipt  
970 of the annual report required by paragraph (9)(k) ~~(9)(1)~~, the  
971 Department of Education shall provide to the State Board of  
972 Education, the Commissioner of Education, the Governor, the  
973 President of the Senate, and the Speaker of the House of  
974 Representatives an analysis and comparison of the overall  
975 performance of charter school students, to include all students  
976 whose scores are counted as part of the statewide assessment  
977 program, versus comparable public school students in the  
978 district as determined by the statewide assessment program  
979 currently administered in the school district, and other  
980 assessments administered pursuant to s. 1008.22(3).

981       (24) RESTRICTION ON EMPLOYMENT OF RELATIVES.—

982       (a) This subsection applies to charter school personnel in  
983 a charter school operated by a private entity. As used in this  
984 subsection, the term:

985       1. "Charter school personnel" means a charter school owner,  
986 president, chairperson of the governing board of directors,

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987 superintendent, governing board member, principal, assistant  
988 principal, or any other person employed by the charter school  
989 who has equivalent decisionmaking authority and in whom is  
990 vested the authority, or to whom the authority has been  
991 delegated, to appoint, employ, promote, or advance individuals  
992 or to recommend individuals for appointment, employment,  
993 promotion, or advancement in connection with employment in a  
994 charter school, including the authority as a member of a  
995 governing body of a charter school to vote on the appointment,  
996 employment, promotion, or advancement of individuals.

997 2. "Relative" means father, mother, son, daughter, brother,  
998 sister, uncle, aunt, first cousin, nephew, niece, husband, wife,  
999 father-in-law, mother-in-law, son-in-law, daughter-in-law,  
1000 brother-in-law, sister-in-law, stepfather, stepmother, stepson,  
1001 stepdaughter, stepbrother, stepsister, half brother, or half  
1002 sister.

1003 (b) Charter school personnel may not appoint, employ,  
1004 promote, or advance, or advocate for appointment, employment,  
1005 promotion, or advancement, in or to a position in the charter  
1006 school in which the personnel are serving or over which the  
1007 personnel exercises jurisdiction or control any individual who  
1008 is a relative. An individual may not be appointed, employed,  
1009 promoted, or advanced in or to a position in a charter school if  
1010 such appointment, employment, promotion, or advancement has been  
1011 advocated by charter school personnel who serve in or exercise  
1012 jurisdiction or control over the charter school and who is a  
1013 relative of the individual or if such appointment, employment,  
1014 promotion, or advancement is made by the governing board of  
1015 which a relative of the individual is a member.

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1016 (c) The approval of budgets does not constitute  
1017 "jurisdiction or control" for the purposes of this subsection.

1018  
1019 Charter school personnel in schools operated by a municipality  
1020 or other public entity are subject to s. 112.3135.

1021 (25) STANDARDS OF CONDUCT AND FINANCIAL DISCLOSURE.—

1022 (a) A member of a governing board of a charter school,  
1023 including a charter school operated by a private entity, is  
1024 subject to ss. 112.313(2), (3), (7), and (12) and 112.3143(3).

1025 (b) A member of a governing board of a charter school  
1026 operated by a municipality or other public entity is subject to  
1027 s. 112.3144, which relates to the disclosure of financial  
1028 interests.

1029 Section 8. Paragraphs (c), (d), and (h) of subsection (5),  
1030 paragraph (a) of subsection (7), paragraph (a) of subsection  
1031 (11), and subsection (12) of section 1002.335, Florida Statutes,  
1032 are amended to read:

1033 1002.335 Florida Schools of Excellence Commission.—

1034 (5) CHARTERING AUTHORITY.—

1035 (c) For fiscal year 2007-2008 and for each fiscal year  
1036 thereafter, a district school board may seek ~~to retain~~ exclusive  
1037 authority to authorize charter schools within the geographic  
1038 boundaries of the school district by presenting to the State  
1039 Board of Education, on or before March 1 of the fiscal year  
1040 prior to that for which the exclusive authority is to apply, a  
1041 written resolution adopted by the district school board  
1042 indicating the intent to seek ~~retain~~ exclusive authority to  
1043 authorize charter schools. A district school board may seek ~~to~~  
1044 ~~retain~~ the exclusive authority to authorize charter schools by

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1045 presenting to the state board the written resolution on or  
1046 before a date 60 days after establishment of the commission. The  
1047 written resolution shall be accompanied by a written description  
1048 addressing the elements described in paragraph (e). The district  
1049 school board shall provide a complete copy of the resolution,  
1050 including the description, to each charter school authorized by  
1051 the district school board on or before the date it submits the  
1052 resolution to the state board.

1053 (d) A party may challenge the grant of exclusive authority  
1054 made by the State Board of Education pursuant to paragraph (e)  
1055 by filing with the state board a notice of challenge within 30  
1056 days after the state board grants initial exclusive authority.  
1057 The notice shall be accompanied by a specific written  
1058 description of the basis for the challenge. The challenging  
1059 party, at the time of filing notice with the state board, shall  
1060 provide a copy of the notice of challenge to the district school  
1061 board that has been granted exclusive authority. The state board  
1062 shall permit the district school board the opportunity to appear  
1063 and respond in writing to the challenge. The state board shall  
1064 make a determination upon the challenge within 60 days after  
1065 receiving the notice of challenge.

1066 (h)1. A grant of exclusive authority by the State Board of  
1067 Education shall continue so long as a district school board  
1068 continues to comply with this section ~~and has presented a~~  
1069 ~~written resolution to the state board as set forth in paragraph~~  
1070 ~~(e).~~ A district school board that has been granted exclusive  
1071 authority is presumed to provide continuous fair and equitable  
1072 treatment of the charter schools in its district.

1073 2. A charter school authorized by a district school board

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1074 within the previous 4 years may challenge the presumption in  
1075 subparagraph 1. by filing a request for a hearing between  
1076 January 1 and January 31 of any year. The request for a hearing  
1077 must state with specificity the basis for the challenge and must  
1078 include a statement certifying that a copy of the request was  
1079 provided to the district school board. If a legally sufficient  
1080 challenge is filed, the Commissioner of Education shall  
1081 designate a hearing officer and refer the matter to the hearing  
1082 officer for an informal proceeding. The hearing officer shall  
1083 provide findings of fact and conclusions of law to the  
1084 Commissioner of Education in the form of a recommended order to  
1085 the State Board of Education. The State Board of Education shall  
1086 enter a final order before June 30 of any year which determines  
1087 whether the district school board continues to provide fair and  
1088 equitable treatment to the charter schools in its district.

1089 (7) COSPONSOR AGREEMENT.—

1090 (a) Upon approval of a cosponsor, the commission and the  
1091 cosponsor shall enter into an agreement that defines the  
1092 cosponsor's rights and obligations and includes ~~the following~~:

1093 1. An explanation of the personnel, contractual and  
1094 interagency relationships, and potential revenue sources  
1095 referenced in the application as required in paragraph (6) (c).

1096 2. ~~Incorporation of~~ The requirements of equal access for  
1097 all students, including any plans to provide food service or  
1098 transportation reasonably necessary to provide access to as many  
1099 students as possible.

1100 3. ~~Incorporation of~~ The requirement to serve low-income,  
1101 low-performing, gifted, or underserved student populations.

1102 4. An explanation of the academic and financial goals and

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1103 expected outcomes for the cosponsor's charter schools and the  
 1104 method and plans by which they will be measured and achieved as  
 1105 referenced in the application.

1106 5. The conflict-of-interest policies referenced in the  
 1107 application.

1108 6. An explanation of the disposition of facilities and  
 1109 assets upon termination and dissolution of a charter school  
 1110 approved by the cosponsor.

1111 7.a. A requirement that ~~provision requiring~~ the cosponsor  
 1112 ~~to~~ annually appear before the commission and provide a report as  
 1113 to the information provided in s. 1002.33(9)(k) ~~pursuant to s.~~  
 1114 ~~1002.33(9)(1)~~ for each of its charter schools.

1115 b. A requirement that the cosponsor perform the duties  
 1116 provided in s. 1002.345.

1117 c. A requirement that the governing board perform the  
 1118 duties provided in s. 1002.345, including monitoring the  
 1119 corrective action plan.

1120 8. A requirement ~~provision requiring~~ that the cosponsor  
 1121 report the student enrollment in each of its sponsored charter  
 1122 schools to the district school board of the county in which the  
 1123 school is located.

1124 9. A requirement ~~provision requiring~~ that the cosponsor  
 1125 work with the commission to provide the necessary reports to the  
 1126 State Board of Education.

1127 10. Any other reasonable terms deemed appropriate by the  
 1128 commission given the unique characteristics of the cosponsor.

1129 (11) APPLICATION OF CHARTER SCHOOL STATUTE.—

1130 (a) The provisions of s. 1002.33(7)-(12), (14), ~~and~~ (16)-  
 1131 (19), (21)(b), (24), and (25) ~~shall~~ apply to the commission and

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1132 the cosponsors and charter schools approved pursuant to this  
1133 section.

1134 (12) ACCESS TO INFORMATION.—The commission shall provide  
1135 maximum access to information to all parents in the state. It  
1136 shall maintain information systems, including, but not limited  
1137 to, a user-friendly Internet website, that will provide  
1138 information and data necessary for parents to make informed  
1139 decisions and a link to the information provided in s.  
1140 1002.33(21)(b)3.b. At a minimum, the commission must provide  
1141 parents with information on its accountability standards, links  
1142 to schools of excellence throughout the state, and public  
1143 education programs available in the state.

1144 Section 9. Subsections (4) and (5), paragraphs (d) and (f)  
1145 of subsection (6), paragraph (c) of subsection (10), paragraph  
1146 (f) of subsection (11), and subsection (13) of section 1002.34,  
1147 Florida Statutes, are amended to read:

1148 1002.34 Charter technical career centers.—

1149 (4) CHARTER.—A sponsor may designate centers as provided in  
1150 this section. An application to establish a center may be  
1151 submitted by a sponsor or another organization that is  
1152 determined, by rule of the State Board of Education, to be  
1153 appropriate. However, an independent school is not eligible for  
1154 status as a center. The charter must be signed by the governing  
1155 body of the center and the sponsor, and must be approved by the  
1156 district school board and community college board of trustees in  
1157 whose geographic region the facility is located. If a charter  
1158 technical career center is established by the conversion to  
1159 charter status of a public technical center formerly governed by  
1160 a district school board, the charter status of that center takes

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1161 precedence in any question of governance. The governance of the  
1162 center or of any program within the center remains with its  
1163 board of directors unless the board agrees to a change in  
1164 governance or its charter is revoked as provided in subsection  
1165 (15). Such a conversion charter technical career center is not  
1166 affected by a change in the governance of public technical  
1167 centers or of programs within other centers that are or have  
1168 been governed by district school boards. A charter technical  
1169 career center, or any program within such a center, that was  
1170 governed by a district school board and transferred to a  
1171 community college prior to the effective date of this act is not  
1172 affected by this provision. An applicant who wishes to establish  
1173 a center must submit to the district school board or community  
1174 college board of trustees, or a consortium of one or more of  
1175 each, an application on a form developed by the Department of  
1176 Education which ~~that~~ includes:

1177 (a) The name of the proposed center.

1178 (b) The proposed structure of the center, including a list  
1179 of proposed members of the board of directors or a description  
1180 of the qualifications for and method of their appointment or  
1181 election.

1182 (c) The workforce development goals of the center, the  
1183 curriculum to be offered, and the outcomes and the methods of  
1184 assessing the extent to which the outcomes are met.

1185 (d) The admissions policy and criteria for evaluating the  
1186 admission of students.

1187 (e) A description of the staff responsibilities and the  
1188 proposed qualifications of the teaching staff.

1189 (f) A description of the procedures to be implemented to

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1190 ensure significant involvement of representatives of business  
1191 and industry in the operation of the center.

1192 (g) A method for determining whether a student has  
1193 satisfied the requirements for graduation specified in s.  
1194 1003.43 and for completion of a postsecondary certificate or  
1195 degree.

1196 (h) A method for granting secondary and postsecondary  
1197 diplomas, certificates, and degrees.

1198 (i) A description of and address for the physical facility  
1199 in which the center will be located.

1200 (j) A method for ~~of~~ resolving conflicts between the  
1201 governing body of the center and the sponsor and between  
1202 consortium members, if applicable.

1203 (k) A method for reporting student data as required by law  
1204 and rule.

1205 (l) A statement that the applicant has participated in the  
1206 training provided by the Department of Education.

1207 (m) The identity of all relatives employed by the charter  
1208 technical career center who are related to the center owner,  
1209 president, chairperson of the governing board of directors,  
1210 superintendent, governing board member, principal, assistant  
1211 principal, or any other person employed by the center who has  
1212 equivalent decisionmaking authority. As used in this paragraph,  
1213 the term "relative" means father, mother, son, daughter,  
1214 brother, sister, uncle, aunt, first cousin, nephew, niece,  
1215 husband, wife, father-in-law, mother-in-law, son-in-law,  
1216 daughter-in-law, brother-in-law, sister-in-law, stepfather,  
1217 stepmother, stepson, stepdaughter, stepbrother, stepsister, half  
1218 brother, or half sister.

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1219 (m)~~(l)~~ Other information required by the district school  
1220 board or community college board of trustees.

1221  
1222 Students at a center must meet the same testing and academic  
1223 performance standards as those established by law and rule for  
1224 students at public schools and public technical centers. The  
1225 students must also meet any additional assessment indicators  
1226 that are included within the charter approved by the district  
1227 school board or community college board of trustees.

1228 (5) APPLICATION.—An application to establish a center must  
1229 be submitted by February 1 of the year preceding the school year  
1230 in which the center will begin operation. The sponsor must  
1231 review the application using an evaluation instrument developed  
1232 by the Department of Education and make a final decision on  
1233 whether to approve the application and grant the charter by  
1234 March 1, and may condition the granting of a charter on the  
1235 center's taking certain actions or maintaining certain  
1236 conditions. Such actions and conditions must be provided to the  
1237 applicant in writing. The district school board or community  
1238 college board of trustees is not required to issue a charter to  
1239 any person.

1240 (6) SPONSOR.—A district school board or community college  
1241 board of trustees or a consortium of one or more of each may  
1242 sponsor a center in the county in which the board has  
1243 jurisdiction.

1244 (d)1. The Department of Education shall offer or arrange  
1245 for training and technical assistance to applicants in  
1246 developing business plans and estimating costs and income. This  
1247 assistance shall address estimating startup costs, projecting

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1248 enrollment, and identifying the types and amounts of state and  
1249 federal financial assistance the center may be eligible to  
1250 receive. The training shall include instruction in accurate  
1251 financial planning and good business practices.

1252 2. An applicant must participate in the training provided  
1253 by the Department of Education before filing an application. The  
1254 Department of Education may provide technical assistance to an  
1255 applicant upon written request.

1256 (f) The sponsor shall monitor and review the center's  
1257 progress toward charter goals and shall monitor the center's  
1258 revenues and expenditures. The sponsor shall perform the duties  
1259 provided in s. 1002.345.

1260 (10) EXEMPTION FROM STATUTES.—

1261 (c) A center must comply with the antidiscrimination  
1262 provisions ~~in~~ of s. 1000.05 and the provisions in s. 1002.33(24)  
1263 which relate to the employment of relatives.

1264 (11) FUNDING.—

1265 (f) A center shall provide for an annual financial audit in  
1266 accordance with s. 218.39. A center shall provide a monthly  
1267 financial statement to the sponsor. The monthly financial  
1268 statement shall be in a form prescribed by the Department of  
1269 Education.

1270 (13) BOARD OF DIRECTORS AUTHORITY.—The board of directors  
1271 of a center may decide matters relating to the operation of the  
1272 school, including budgeting, curriculum, and operating  
1273 procedures, subject to the center's charter. The board of  
1274 directors is responsible for performing the duties provided in  
1275 s. 1002.345, including monitoring the corrective action plan.  
1276 The board of directors must comply with s. 1002.33(25).

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1277 Section 10. Section 1002.345, Florida Statutes, is created  
1278 to read:

1279 1002.345 Determination of deteriorating financial  
1280 conditions and financial emergencies for charter schools and  
1281 charter technical career centers.—This section applies to  
1282 charter schools operating pursuant to ss. 1002.33 and 1002.335  
1283 and to charter technical career centers operating pursuant to s.  
1284 1002.34.

1285 (1) EXPEDITED REVIEW; REQUIREMENTS.—

1286 (a) A charter school or a charter technical career center  
1287 is subject to an expedited review by the sponsor if one of the  
1288 following occurs:

1289 1. Failure to provide for an audit required by s. 218.39.

1290 2. Failure to comply with reporting requirements pursuant  
1291 to s. 1002.33(9), s. 1002.335(7) (a)7., or s. 1002.34(14).

1292 3. A deteriorating financial condition identified through  
1293 an annual audit pursuant to s. 218.39(5) or a monthly financial  
1294 statement pursuant to s. 1002.33(9) (g) or s. 1002.34(11) (f).

1295 “Deteriorating financial condition” means a circumstance that  
1296 significantly impairs the ability of a charter school or a  
1297 charter technical career center to generate enough revenues to  
1298 meet its expenditures without causing the occurrence of a  
1299 condition described in s. 218.503(1).

1300 4. Notification pursuant to s. 218.503(2) that one or more  
1301 of the conditions specified in s. 218.503(1) have occurred or  
1302 will occur if action is not taken to assist the charter school  
1303 or charter technical career center.

1304 (b) A sponsor shall notify the governing board within 7  
1305 business days after one or more of the conditions specified in

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1306 paragraph (a) occur.

1307 (c) The governing board and the sponsor shall develop a  
1308 corrective action plan and file the plan with the Commissioner  
1309 of Education within 30 business days after notification is  
1310 received as provided in paragraph (b). If the governing board  
1311 and the sponsor are unable to agree on a corrective action plan,  
1312 the Commissioner of Education shall determine the components of  
1313 the plan. The governing board shall implement such plan.

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

1318 (e) If the governing board fails to implement the  
1319 corrective action plan within 1 year after one or more of the  
1320 conditions specified in paragraph (a) occur, the State Board of  
1321 Education shall prescribe any steps necessary for the charter  
1322 school or the charter technical career center to comply with  
1323 state requirements.

1324 (f) The chair of the governing board shall annually appear  
1325 before the State Board of Education and report on the  
1326 implementation of the State Board of Education's requirements.

1327 (2) FINANCIAL EMERGENCY; REQUIREMENTS.—

1328 (a)1. If a financial audit conducted by a certified public  
1329 accountant in accordance with s. 218.39 reveals that one or more  
1330 of the conditions in s. 218.503(1) have occurred or will occur  
1331 if action is not taken to assist the charter school or charter  
1332 technical career center, the auditor shall notify the governing  
1333 board of the charter school or charter technical career center,  
1334 as appropriate, the sponsor, and the Commissioner of Education

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1335 within 7 business days after the finding is made.

1336 2. If the charter school or charter technical career center  
1337 is found to be in a state of financial emergency pursuant to s.  
1338 218.503(4), the charter school or charter technical career  
1339 center shall file a financial recovery plan pursuant to s.  
1340 218.503 with the sponsor and the Commissioner of Education  
1341 within 30 days after being notified by the Commissioner of  
1342 Education that a financial recovery plan is needed.

1343 (b) The governing board shall include the financial  
1344 recovery plan and the status of its implementation in the annual  
1345 progress report to the sponsor which is required under s.  
1346 1002.33(9)(k), s. 1002.335(7)(a)7., or s. 1002.34(14).

1347 (3) REPORT.—The Commissioner of Education shall annually  
1348 report to the State Board of Education each charter school and  
1349 charter technical career center that is subject to a financial  
1350 recovery plan or a corrective action plan under this section.

1351 (4) RULES.—The State Board of Education shall adopt rules  
1352 pursuant to ss. 120.536(1) and 120.54 for developing financial  
1353 recovery and corrective action plans, defining a deteriorating  
1354 financial condition pursuant to subparagraph (1)(a)3., and  
1355 establishing procedures for determining a deteriorating  
1356 financial condition pursuant to subparagraph (1)(a)3. and s.  
1357 218.39(5). In adopting the rules, the State Board of Education  
1358 may obtain technical assistance from the Auditor General.

1359 (5) TECHNICAL ASSISTANCE.—The Department of Education shall  
1360 provide technical assistance to charter schools, charter  
1361 technical career centers, governing boards, and sponsors in  
1362 developing financial recovery and corrective action plans.

1363 (6) FAILURE TO CORRECT DEFICIENCIES.—The sponsor may decide

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1364 not to renew or may terminate a charter if the charter school or  
1365 charter technical career center fails to correct the  
1366 deficiencies noted in the corrective action plan within 1 year  
1367 after being notified of the deficiencies or exhibits one or more  
1368 financial emergency conditions specified in s. 218.503 for 2  
1369 consecutive years. This subsection does not affect a sponsor's  
1370 authority to terminate or not renew a charter pursuant to s.  
1371 1002.33(8).

1372 Section 11. This act shall take effect July 1, 2009.