

By the Committee on Education Pre-K - 12 and 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. 1002.34, F.S.; providing additional duties for
38 charter technical career centers, applicants,
39 sponsors, and governing boards; requiring the
40 Department of Education to offer or arrange training
41 and assistance to applicants for a charter technical
42 career center; requiring that an applicant participate
43 in the training; creating s. 1002.345, F.S.;
44 establishing criteria and requirements for charter
45 schools and charter technical career centers that have
46 a deteriorating financial condition or are in a state
47 of financial emergency; establishing requirements for
48 charter schools, charter technical career centers,
49 governing bodies, and sponsors; providing for
50 corrective action and financial recovery plans;
51 providing for duties of auditors, the Commissioner of
52 Education, and the Department of Education; requiring
53 the State Board of Education to adopt rules; providing
54 grounds for termination or nonrenewal of a charter;
55 providing an effective date.

57 Be It Enacted by the Legislature of the State of Florida:
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59 Section 1. Paragraph (e) of subsection (7) and subsection
60 (8) of section 11.45, Florida Statutes, are amended to read:

61 11.45 Definitions; duties; authorities; reports; rules.—

62 (7) AUDITOR GENERAL REPORTING REQUIREMENTS.—

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

86 (8) RULES OF THE AUDITOR GENERAL.—The Auditor General, in
87 consultation with the Board of Accountancy, shall adopt rules

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88 for the form and conduct of all financial audits performed by
89 independent certified public accountants pursuant to ss.
90 215.981, 218.39, 1001.453, 1004.28, and 1004.70. The rules for
91 audits of local governmental entities, charter schools, charter
92 technical career centers, and district school boards must
93 include, but are not limited to, requirements for the reporting
94 of information necessary to carry out the purposes of the Local
95 Governmental Entity, Charter School, Charter Technical Career
96 Center, and District School Board Financial Emergencies Act as
97 stated in s. 218.501.

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

100 218.39 Annual financial audit reports.-

101 (5) At the conclusion of the audit, the auditor shall
102 discuss with the chair of each local governmental entity or the
103 chair's designee, or with the elected official of each county
104 agency or with the elected official's designee, or with the
105 chair of the district school board or the chair's designee, or
106 with the chair of the board of the charter school or the chair's
107 designee, or with the chair of the charter technical career
108 center or the chair's designee, as appropriate, all of the
109 auditor's comments that will be included in the audit report. If
110 the officer is not available to discuss the auditor's comments,
111 their discussion is presumed when the comments are delivered in
112 writing to his or her office. The auditor shall notify each
113 member of the governing body of a local governmental entity,
114 district school board, ~~or~~ charter school, or charter technical
115 career center for which deteriorating financial conditions exist
116 that may cause a condition described in s. 218.503(1) to occur

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117 if actions are not taken to address such conditions.

118 Section 3. Section 218.50, Florida Statutes, is amended to
119 read:

120 218.50 Short title.—Sections 218.50-218.504 may be cited as
121 the "Local Governmental Entity, Charter School, Charter
122 Technical Career Center, and District School Board Financial
123 Emergencies Act."

124 Section 4. Section 218.501, Florida Statutes, is amended to
125 read:

126 218.501 Purposes.—The purposes of ss. 218.50-218.504 are:

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

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

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

138 Section 5. Subsections (1), (2), (3), and (4) of section
139 218.503, Florida Statutes, are amended to read:

140 218.503 Determination of financial emergency.—

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

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146 the following conditions occurs:

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

151 (b) Failure to pay uncontested claims from creditors within
152 90 days after the claim is presented, as a result of a lack of
153 funds.

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

- 156 1. Taxes withheld on the income of employees; or
157 2. Employer and employee contributions for:
158 a. Federal social security; or
159 b. Any pension, retirement, or benefit plan of an employee.

160 (d) Failure for one pay period to pay, due to lack of
161 funds:

- 162 1. Wages and salaries owed to employees; or
163 2. Retirement benefits owed to former employees.

164 (e) An unreserved or total fund balance or retained
165 earnings deficit, or unrestricted or total net assets deficit,
166 as reported on the balance sheet or statement of net assets on
167 the general purpose or fund financial statements, for which
168 sufficient resources of the local governmental entity, charter
169 school, charter technical career center, or district school
170 board, as reported on the balance sheet or statement of net
171 assets on the general purpose or fund financial statements, are
172 not available to cover the deficit. Resources available to cover
173 reported deficits include net assets that are not otherwise
174 restricted by federal, state, or local laws, bond covenants,

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175 contractual agreements, or other legal constraints. Fixed or
176 capital assets, the disposal of which would impair the ability
177 of a local governmental entity, charter school, charter
178 technical career center, or district school board to carry out
179 its functions, are not considered resources available to cover
180 reported deficits.

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

201 (3) Upon notification that one or more of the conditions in
202 subsection (1) have occurred or will occur if action is not
203 taken to assist the local governmental entity or district school

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

220 (a) Requiring approval of the local governmental entity's
221 budget by the Governor or approval of the district school
222 board's budget by the Commissioner of Education.

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

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

229 (d) Making such inspections and reviews of records,
230 information, reports, and assets of the local governmental
231 entity or district school board. The appropriate local officials
232 shall cooperate in such inspections and reviews.

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

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

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

249 a. Make such reviews of records, reports, and assets of the
250 local governmental entity or the district school board as are
251 needed.

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

258 c. Review the operations, management, efficiency,
259 productivity, and financing of functions and operations of the
260 local governmental entity or the district school board.

261 2. The recommendations and reports made by the financial

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262 emergency board must be submitted to the Governor for local
263 governmental entities or to the Commissioner of Education and
264 the State Board of Education for district school boards for
265 appropriate action.

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

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

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

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

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

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291 ~~charter school to no longer be subject to this section. The~~
292 ~~Department of Education shall establish guidelines for~~
293 ~~developing such plans.~~

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

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

311
312 The Department of Education, with the involvement of sponsors,
313 charter schools, and charter technical career centers, shall
314 establish guidelines for developing a financial recovery plan.

315 Section 6. Section 218.504, Florida Statutes, is amended to
316 read:

317 218.504 Cessation of state action.—The Governor or the
318 Commissioner of Education, as appropriate, has the authority to
319 terminate all state actions pursuant to ss. 218.50-218.504.

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320 Cessation of state action must not occur until the Governor or
321 the Commissioner of Education, as appropriate, has determined
322 that:

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

325 (a) Has established and is operating an effective financial
326 accounting and reporting system.

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

328 (2) None of the conditions outlined in s. 218.503(1)
329 exists.

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

338 1002.33 Charter schools.—

339 (5) SPONSOR; DUTIES.—

340 (b) *Sponsor duties*.—

341 1.a. The sponsor shall monitor and review the charter
342 school in its progress toward the goals established in the
343 charter.

344 b. The sponsor shall monitor the revenues and expenditures
345 of the charter school and perform the duties provided in s.
346 1002.345.

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

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349 if the applicant indicates approval is necessary for it to raise
350 working funds.

351 d. The sponsor's policies shall not apply to a charter
352 school unless mutually agreed to by both the sponsor and the
353 charter school.

354 e. The sponsor shall ensure that the charter is innovative
355 and consistent with the state education goals established by s.
356 1000.03(5).

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

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

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

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

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

374 2. Immunity for the sponsor of a charter school under
375 subparagraph 1. applies only with respect to acts or omissions
376 not under the sponsor's direct authority as described in this
377 section.

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

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

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

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

398 1. Demonstrates how the school will use the guiding
399 principles and meet the statutorily defined purpose of a charter
400 school.

401 2. Provides a detailed curriculum plan that illustrates how
402 students will be provided services to attain the Sunshine State
403 Standards.

404 3. Contains goals and objectives for improving student
405 learning and measuring that improvement. These goals and
406 objectives must indicate how much academic improvement students

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407 are expected to show each year, how success will be evaluated,
408 and the specific results to be attained through instruction.

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

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

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

426 (b) A sponsor shall receive and review all applications for
427 a charter school using an evaluation instrument developed by the
428 Department of Education. A sponsor may require an applicant to
429 provide additional information as an addendum to this evaluation
430 instrument. Beginning with the 2007-2008 school year, a sponsor
431 shall receive and consider charter school applications received
432 on or before August 1 of each calendar year for charter schools
433 to be opened at the beginning of the school district's next
434 school year, or to be opened at a time agreed to by the
435 applicant and the sponsor. A sponsor may receive applications

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436 later than this date if it chooses. A sponsor may not charge an
437 applicant for a charter any fee for the processing or
438 consideration of an application, and a sponsor may not base its
439 consideration or approval of an application upon the promise of
440 future payment of any kind.

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

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

457 3. A sponsor shall by a majority vote approve or deny an
458 application no later than 60 calendar days after the application
459 is received, unless the sponsor and the applicant mutually agree
460 in writing to temporarily postpone the vote to a specific date,
461 at which time the sponsor shall by a majority vote approve or
462 deny the application. If the sponsor fails to act on the
463 application, an applicant may appeal to the State Board of
464 Education as provided in paragraph (c). If an application is

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465 denied, the sponsor shall, within 10 calendar days after such
466 denial, articulate in writing the specific reasons, based upon
467 good cause, supporting its denial of the charter application and
468 shall provide the letter of denial and supporting documentation
469 to the applicant and to the Department of Education supporting
470 those reasons.

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

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

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

490 2. A charter school applicant must participate in the
491 training provided by the Department of Education before filing
492 an application. However, a sponsor may require the charter
493 school applicant to attend training provided by the sponsor in

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494 lieu of the department's training if the sponsor's training
495 standards meet or exceed the standards developed by the
496 Department of Education. The training shall include instruction
497 in accurate financial planning and good business practices. If
498 the applicant is a management company or other nonprofit
499 organization, the charter school principal and the chief
500 financial officer must also participate in the training.

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

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

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

510 2. The focus of the curriculum, the instructional methods
511 to be used, any distinctive instructional techniques to be
512 employed, and identification and acquisition of appropriate
513 technologies needed to improve educational and administrative
514 performance which include a means for promoting safe, ethical,
515 and appropriate uses of technology which comply with legal and
516 professional standards. The charter shall ensure that reading is
517 a primary focus of the curriculum and that resources are
518 provided to identify and provide specialized instruction for
519 students who are reading below grade level. The curriculum and
520 instructional strategies for reading must be consistent with the
521 Sunshine State Standards and grounded in scientifically based
522 reading research.

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

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

530 b. How these baseline rates will be compared to rates of
531 academic progress achieved by these same students while
532 attending the charter school.

533 c. To the extent possible, how these rates of progress will
534 be evaluated and compared with rates of progress of other
535 closely comparable student populations.

536

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

542 4. The methods used to identify the educational strengths
543 and needs of students and how well educational goals and
544 performance standards are met by students attending the charter
545 school. ~~Included in~~ The methods shall provide ~~is~~ a means for the
546 charter school to ensure accountability to its constituents by
547 analyzing student performance data and by evaluating the
548 effectiveness and efficiency of its major educational programs.
549 Students in charter schools shall, at a minimum, participate in
550 the statewide assessment program created under s. 1008.22.

551 5. In secondary charter schools, a method for determining

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552 that a student has satisfied the requirements for graduation in
553 s. 1003.43.

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

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

558 8. The ways by which the school will achieve a
559 racial/ethnic balance reflective of the community it serves or
560 within the racial/ethnic range of other public schools in the
561 same school district.

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

574 10. The asset and liability projections required in the
575 application which are incorporated into the charter and ~~which~~
576 shall be compared with information provided in the annual report
577 of the charter school. ~~The charter shall ensure that, if a~~
578 ~~charter school internal audit or annual financial audit reveals~~
579 ~~a state of financial emergency as defined in s. 218.503 or~~
580 ~~deficit financial position, the auditors are required to notify~~

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

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

602 12. The term of the charter which shall provide for
603 cancellation of the charter if insufficient progress has been
604 made in attaining the student achievement objectives of the
605 charter and if it is not likely that such objectives can be
606 achieved before expiration of the charter. The initial term of a
607 charter shall be for 4 or 5 years. In order to facilitate access
608 to long-term financial resources for charter school
609 construction, charter schools that are operated by a

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

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

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

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

628 16. A timetable for implementing the charter which
629 addresses the implementation of each element thereof and the
630 date by which the charter shall be awarded in order to meet this
631 timetable.

632 17. In the case of an existing public school that is being
633 converted to charter status, alternative arrangements for
634 current students who choose not to attend the charter school and
635 for current teachers who choose not to teach in the charter
636 school after conversion in accordance with the existing
637 collective bargaining agreement or district school board rule in
638 the absence of a collective bargaining agreement. However,

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639 alternative arrangements shall not be required for current
640 teachers who choose not to teach in a charter lab school, except
641 as authorized by the employment policies of the state university
642 which grants the charter to the lab school.

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

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

656 (d) A charter may be terminated immediately if the sponsor
657 determines that good cause has been shown or if the health,
658 safety, or welfare of the students is threatened. The sponsor's
659 determination is not subject to an informal hearing under
660 paragraph (b) or pursuant to chapter 120. The sponsor shall
661 notify in writing the charter school's governing body, the
662 charter school principal, and the department if a charter is
663 immediately terminated. The sponsor shall clearly identify the
664 specific issues that resulted in the immediate termination and
665 provide evidence of prior notification of issues resulting in
666 the immediate termination when appropriate. The school district
667 in which the charter school is located shall assume operation of

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668 the school under these circumstances. The charter school's
669 governing board may, within 30 days after receiving the
670 sponsor's decision to terminate the charter, appeal the decision
671 pursuant to the procedure established in subsection (6).

672 (9) CHARTER SCHOOL REQUIREMENTS.—

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

684 (g) ~~(h)~~ In order to provide financial information that is
685 comparable to that reported for other public schools, charter
686 schools are to maintain all financial records that ~~which~~
687 constitute their accounting system:

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

692 2. At the discretion of the charter school governing board,
693 a charter school may elect to follow generally accepted
694 accounting standards for not-for-profit organizations, but must
695 reformat this information for reporting according to this
696 paragraph.

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

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

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

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

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

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

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

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

4. Participating in governance training approved by the

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726 department which ~~that~~ must include government in the sunshine,
727 conflicts of interest, ethics, and financial responsibility.

728 (k) ~~(1)~~ The governing body of the charter school shall
729 report its progress annually to its sponsor, which shall forward
730 the report to the Commissioner of Education at the same time as
731 other annual school accountability reports. The Department of
732 Education shall develop a uniform, online annual accountability
733 report to be completed by charter schools. This report shall be
734 easy to utilize and contain demographic information, student
735 performance data, and financial accountability information. A
736 charter school shall not be required to provide information and
737 data that is duplicative and already in the possession of the
738 department. The Department of Education shall include in its
739 compilation a notation if a school failed to file its report by
740 the deadline established by the department. The report shall
741 include at least the following components:

742 1. Student achievement performance data, including the
743 information required for the annual school report and the
744 education accountability system governed by ss. 1008.31 and
745 1008.345. Charter schools are subject to the same accountability
746 requirements as other public schools, including reports of
747 student achievement information that links baseline student data
748 to the school's performance projections identified in the
749 charter. The charter school shall identify reasons for any
750 difference between projected and actual student performance.

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

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

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

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

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

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

776 (o)~~(p)~~ Upon notification that a charter school receives a
777 school grade of "D" for 2 consecutive years or a school grade of
778 "F" under s. 1008.34(2), the charter school sponsor or the
779 sponsor's staff shall require the director and a representative
780 of the governing body to submit to the sponsor for approval a
781 school improvement plan to raise student achievement and to
782 implement the plan. The sponsor has the authority to approve a
783 school improvement plan that the charter school will implement

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784 in the following school year. The sponsor may also consider the
785 State Board of Education's recommended action pursuant to s.
786 1008.33(1) as part of the school improvement plan. The
787 Department of Education shall offer technical assistance and
788 training to the charter school and its governing body and
789 establish guidelines for developing, submitting, and approving
790 such plans.

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

797 a. Contract for the educational services of the charter
798 school;

799 b. Reorganize the school at the end of the school year
800 under a new director or principal who is authorized to hire new
801 staff and implement a plan that addresses the causes of
802 inadequate progress; or

803 c. Reconstitute the charter school.

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

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

812 (p) ~~(q)~~ The director and a representative of the governing

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

822 (16) EXEMPTION FROM STATUTES.—

823 (a) A charter school shall operate in accordance with its
824 charter and shall be exempt from all statutes in chapters 1000-
825 1013. However, a charter school shall be in compliance with the
826 following statutes in chapters 1000-1013:

827 1. Those statutes specifically applying to charter schools,
828 including this section.

829 2. Those statutes pertaining to the student assessment
830 program and school grading system.

831 3. Those statutes pertaining to the provision of services
832 to students with disabilities.

833 4. Those statutes pertaining to civil rights, including s.
834 1000.05, relating to discrimination.

835 5. Those statutes pertaining to student health, safety, and
836 welfare.

837 6. Those statutes pertaining to the constitutional class
838 size maximums pursuant to s. 1, Art. IX of the State
839 Constitution, including s. 1003.03.

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

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842 1. Section 286.011, relating to public meetings and
843 records, public inspection, and criminal and civil penalties.

844 2. Chapter 119, relating to public records.

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

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

864 (b) The basis for the agreement for funding students
865 enrolled in a charter school shall be the sum of the school
866 district's operating funds from the Florida Education Finance
867 Program as provided in s. 1011.62 and the General Appropriations
868 Act, including gross state and local funds, discretionary
869 lottery funds, and funds from the school district's current
870 operating discretionary millage levy; divided by total funded

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871 weighted full-time equivalent students in the school district;
872 multiplied by the weighted full-time equivalent students for the
873 charter school. Charter schools whose students or programs meet
874 the eligibility criteria in law shall be entitled to their
875 proportionate share of categorical program funds included in the
876 total funds available in the Florida Education Finance Program
877 by the Legislature, including transportation. Total funding for
878 each charter school shall be recalculated during the year to
879 reflect the revised calculations under the Florida Education
880 Finance Program by the state and the actual weighted full-time
881 equivalent students reported by the charter school during the
882 full-time equivalent student survey periods designated by the
883 Commissioner of Education.

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

894 (d) District school boards shall make timely and efficient
895 payment and reimbursement to charter schools, including
896 processing paperwork required to access special state and
897 federal funding for which they may be eligible. The district
898 school board may distribute funds to a charter school for up to
899 3 months based on the projected full-time equivalent student

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

913 (21) PUBLIC INFORMATION ON CHARTER SCHOOLS.—

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

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

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929 schools that receive a school improvement rating to each charter
930 school that:

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

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

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

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

953 (I) Grades 3 through 5;

954 (II) Grades 6 through 8; and

955 (III) Grades 9 through 11.

956 b. Each charter school shall provide the information
957 specified in this paragraph on its Internet website and also

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958 provide notice to the public at large in a manner provided by
959 the rules of the State Board of Education. The State Board of
960 Education shall adopt rules to administer the notice
961 requirements of this subparagraph pursuant to ss. 120.536(1) and
962 120.54. The website shall include, through links or actual
963 content, other information related to school performance.

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

976 (24) RESTRICTION ON EMPLOYMENT OF RELATIVES.—

977 (a) This subsection applies to charter school personnel in
978 a charter school operated by a private entity. As used in this
979 subsection, the term:

980 1. "Charter school personnel" means a charter school owner,
981 president, chairperson of the governing board of directors,
982 superintendent, governing board member, principal, assistant
983 principal, or any other person employed by the charter school
984 who has equivalent decisionmaking authority and in whom is
985 vested the authority, or to whom the authority has been
986 delegated, to appoint, employ, promote, or advance individuals

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987 or to recommend individuals for appointment, employment,
988 promotion, or advancement in connection with employment in a
989 charter school, including the authority as a member of a
990 governing body of a charter school to vote on the appointment,
991 employment, promotion, or advancement of individuals.

992 2. "Relative" means father, mother, son, daughter, brother,
993 sister, uncle, aunt, first cousin, nephew, niece, husband, wife,
994 father-in-law, mother-in-law, son-in-law, daughter-in-law,
995 brother-in-law, sister-in-law, stepfather, stepmother, stepson,
996 stepdaughter, stepbrother, stepsister, half brother, or half
997 sister.

998 (b) Charter school personnel may not appoint, employ,
999 promote, or advance, or advocate for appointment, employment,
1000 promotion, or advancement, in or to a position in the charter
1001 school in which the personnel are serving or over which the
1002 personnel exercises jurisdiction or control any individual who
1003 is a relative. An individual may not be appointed, employed,
1004 promoted, or advanced in or to a position in a charter school if
1005 such appointment, employment, promotion, or advancement has been
1006 advocated by charter school personnel who serve in or exercise
1007 jurisdiction or control over the charter school and who is a
1008 relative of the individual or if such appointment, employment,
1009 promotion, or advancement is made by the governing board of
1010 which a relative of the individual is a member.

1011 (c) The approval of budgets does not constitute
1012 "jurisdiction or control" for the purposes of this subsection.

1013
1014 Charter school personnel in schools operated by a municipality
1015 or other public entity are subject to s. 112.3135.

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1016 (25) STANDARDS OF CONDUCT AND FINANCIAL DISCLOSURE.—

1017 (a) A member of a governing board of a charter school,
1018 including a charter school operated by a private entity, is
1019 subject to ss. 112.313(2), (3), (7), and (12) and 112.3143(3).

1020 (b) A member of a governing board of a charter school
1021 operated by a municipality or other public entity is subject to
1022 s. 112.3144, which relates to the disclosure of financial
1023 interests.

1024 Section 8. Subsections (4) and (5), paragraphs (d) and (f)
1025 of subsection (6), paragraph (c) of subsection (10), paragraph
1026 (f) of subsection (11), and subsection (13) of section 1002.34,
1027 Florida Statutes, are amended to read:

1028 1002.34 Charter technical career centers.—

1029 (4) CHARTER.—A sponsor may designate centers as provided in
1030 this section. An application to establish a center may be
1031 submitted by a sponsor or another organization that is
1032 determined, by rule of the State Board of Education, to be
1033 appropriate. However, an independent school is not eligible for
1034 status as a center. The charter must be signed by the governing
1035 body of the center and the sponsor, and must be approved by the
1036 district school board and community college board of trustees in
1037 whose geographic region the facility is located. If a charter
1038 technical career center is established by the conversion to
1039 charter status of a public technical center formerly governed by
1040 a district school board, the charter status of that center takes
1041 precedence in any question of governance. The governance of the
1042 center or of any program within the center remains with its
1043 board of directors unless the board agrees to a change in
1044 governance or its charter is revoked as provided in subsection

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1045 (15). Such a conversion charter technical career center is not
1046 affected by a change in the governance of public technical
1047 centers or of programs within other centers that are or have
1048 been governed by district school boards. A charter technical
1049 career center, or any program within such a center, that was
1050 governed by a district school board and transferred to a
1051 community college prior to the effective date of this act is not
1052 affected by this provision. An applicant who wishes to establish
1053 a center must submit to the district school board or community
1054 college board of trustees, or a consortium of one or more of
1055 each, an application on a form developed by the Department of
1056 Education which ~~that~~ includes:

1057 (a) The name of the proposed center.

1058 (b) The proposed structure of the center, including a list
1059 of proposed members of the board of directors or a description
1060 of the qualifications for and method of their appointment or
1061 election.

1062 (c) The workforce development goals of the center, the
1063 curriculum to be offered, and the outcomes and the methods of
1064 assessing the extent to which the outcomes are met.

1065 (d) The admissions policy and criteria for evaluating the
1066 admission of students.

1067 (e) A description of the staff responsibilities and the
1068 proposed qualifications of the teaching staff.

1069 (f) A description of the procedures to be implemented to
1070 ensure significant involvement of representatives of business
1071 and industry in the operation of the center.

1072 (g) A method for determining whether a student has
1073 satisfied the requirements for graduation specified in s.

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1074 1003.43 and for completion of a postsecondary certificate or
1075 degree.

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

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

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

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

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

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

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

1101
1102 Students at a center must meet the same testing and academic

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

1108 (5) APPLICATION.—An application to establish a center must
1109 be submitted by February 1 of the year preceding the school year
1110 in which the center will begin operation. The sponsor must
1111 review the application using an evaluation instrument developed
1112 by the Department of Education and make a final decision on
1113 whether to approve the application and grant the charter by
1114 March 1, and may condition the granting of a charter on the
1115 center's taking certain actions or maintaining certain
1116 conditions. Such actions and conditions must be provided to the
1117 applicant in writing. The district school board or community
1118 college board of trustees is not required to issue a charter to
1119 any person.

1120 (6) SPONSOR.—A district school board or community college
1121 board of trustees or a consortium of one or more of each may
1122 sponsor a center in the county in which the board has
1123 jurisdiction.

1124 (d)1. The Department of Education shall offer or arrange
1125 for training and technical assistance to applicants in
1126 developing business plans and estimating costs and income. This
1127 assistance shall address estimating startup costs, projecting
1128 enrollment, and identifying the types and amounts of state and
1129 federal financial assistance the center may be eligible to
1130 receive. The training shall include instruction in accurate
1131 financial planning and good business practices.

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1132 2. An applicant must participate in the training provided
1133 by the Department of Education before filing an application. The
1134 Department of Education may provide technical assistance to an
1135 applicant upon written request.

1136 (f) The sponsor shall monitor and review the center's
1137 progress toward charter goals and shall monitor the center's
1138 revenues and expenditures. The sponsor shall perform the duties
1139 provided in s. 1002.345.

1140 (10) EXEMPTION FROM STATUTES.—

1141 (c) A center must comply with the antidiscrimination
1142 provisions in ~~of~~ s. 1000.05 and the provisions in s. 1002.33(24)
1143 which relate to the employment of relatives.

1144 (11) FUNDING.—

1145 (f) A center shall provide for an annual financial audit in
1146 accordance with s. 218.39. A center shall provide a monthly
1147 financial statement to the sponsor. The monthly financial
1148 statement shall be in a form prescribed by the Department of
1149 Education.

1150 (13) BOARD OF DIRECTORS AUTHORITY.—The board of directors
1151 of a center may decide matters relating to the operation of the
1152 school, including budgeting, curriculum, and operating
1153 procedures, subject to the center's charter. The board of
1154 directors is responsible for performing the duties provided in
1155 s. 1002.345, including monitoring the corrective action plan.
1156 The board of directors must comply with s. 1002.33(25).

1157 Section 9. Section 1002.345, Florida Statutes, is created
1158 to read:

1159 1002.345 Determination of deteriorating financial
1160 conditions and financial emergencies for charter schools and

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1161 charter technical career centers.—This section applies to
1162 charter schools operating pursuant to s. 1002.33 and to charter
1163 technical career centers operating pursuant to s. 1002.34.

1164 (1) EXPEDITED REVIEW; REQUIREMENTS.—

1165 (a) A charter school or a charter technical career center
1166 is subject to an expedited review by the sponsor if one of the
1167 following occurs:

1168 1. Failure to provide for an audit required by s. 218.39.
1169 2. Failure to comply with reporting requirements pursuant
1170 to s. 1002.33(9) or s. 1002.34(11)(f) or (14).

1171 3. A deteriorating financial condition identified through
1172 an annual audit pursuant to s. 218.39(5) or a monthly financial
1173 statement pursuant to s. 1002.33(9)(g) or s. 1002.34(11)(f).

1174 “Deteriorating financial condition” means a circumstance that
1175 significantly impairs the ability of a charter school or a
1176 charter technical career center to generate enough revenues to
1177 meet its expenditures without causing the occurrence of a
1178 condition described in s. 218.503(1).

1179 4. Notification pursuant to s. 218.503(2) that one or more
1180 of the conditions specified in s. 218.503(1) have occurred or
1181 will occur if action is not taken to assist the charter school
1182 or charter technical career center.

1183 (b) A sponsor shall notify the governing board within 7
1184 business days after one or more of the conditions specified in
1185 paragraph (a) occur.

1186 (c) The governing board and the sponsor shall develop a
1187 corrective action plan and file the plan with the Commissioner
1188 of Education within 30 business days after notification is
1189 received as provided in paragraph (b). If the governing board

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1190 and the sponsor are unable to agree on a corrective action plan,
1191 the Commissioner of Education shall determine the components of
1192 the plan. The governing board shall implement such plan.

1193 (d) The governing board shall include the corrective action
1194 plan and the status of its implementation in the annual progress
1195 report to the sponsor which is required pursuant to s.
1196 1002.33(9)(k) or s. 1002.34(14).

1197 (e) If the governing board fails to implement the
1198 corrective action plan within 1 year after one or more of the
1199 conditions specified in paragraph (a) occur, the State Board of
1200 Education shall prescribe any steps necessary for the charter
1201 school or the charter technical career center to comply with
1202 state requirements.

1203 (f) The chair of the governing board shall annually appear
1204 before the State Board of Education and report on the
1205 implementation of the State Board of Education's requirements.

1206 (2) FINANCIAL EMERGENCY; REQUIREMENTS.—

1207 (a)1. If a financial audit conducted by a certified public
1208 accountant in accordance with s. 218.39 reveals that one or more
1209 of the conditions in s. 218.503(1) have occurred or will occur
1210 if action is not taken to assist the charter school or charter
1211 technical career center, the auditor shall notify the governing
1212 board of the charter school or charter technical career center,
1213 as appropriate, the sponsor, and the Commissioner of Education
1214 within 7 business days after the finding is made.

1215 2. If the charter school or charter technical career center
1216 is found to be in a state of financial emergency pursuant to s.
1217 218.503(4), the charter school or charter technical career
1218 center shall file a financial recovery plan pursuant to s.

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1219 218.503 with the sponsor and the Commissioner of Education
1220 within 30 days after being notified by the Commissioner of
1221 Education that a financial recovery plan is needed.

1222 (b) The governing board shall include the financial
1223 recovery plan and the status of its implementation in the annual
1224 progress report to the sponsor which is required under s.
1225 1002.33(9)(k) or s. 1002.34(14).

1226 (3) REPORT.—The Commissioner of Education shall annually
1227 report to the State Board of Education each charter school and
1228 charter technical career center that is subject to a financial
1229 recovery plan or a corrective action plan under this section.

1230 (4) RULES.—The State Board of Education shall adopt rules
1231 pursuant to ss. 120.536(1) and 120.54 for developing financial
1232 recovery and corrective action plans, defining a deteriorating
1233 financial condition pursuant to subparagraph (1)(a)3., and
1234 establishing procedures for determining a deteriorating
1235 financial condition pursuant to subparagraph (1)(a)3. and s.
1236 218.39(5). In adopting the rules, the State Board of Education
1237 may obtain technical assistance from the Auditor General.

1238 (5) TECHNICAL ASSISTANCE.—The Department of Education shall
1239 provide technical assistance to charter schools, charter
1240 technical career centers, governing boards, and sponsors in
1241 developing financial recovery and corrective action plans.

1242 (6) FAILURE TO CORRECT DEFICIENCIES.—The sponsor may decide
1243 not to renew or may terminate a charter if the charter school or
1244 charter technical career center fails to correct the
1245 deficiencies noted in the corrective action plan within 1 year
1246 after being notified of the deficiencies or exhibits one or more
1247 financial emergency conditions specified in s. 218.503 for 2

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1248 consecutive years. This subsection does not affect a sponsor's
1249 authority to terminate or not renew a charter pursuant to s.
1250 1002.33(8).

1251 Section 10. This act shall take effect July 1, 2009.

1252