

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Education Pre-K - 12 Committee

BILL: SB 1852

INTRODUCER: Senator Wise

SUBJECT: Charter Schools

DATE: January 26, 2012 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Brown	deMarsh-Mathues	ED	Pre-meeting
2.	_____	_____	HE	_____
3.	_____	_____	BC	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

I. Summary:

This bill authorizes Florida College System institutions that offer an approved teacher preparation program to operate one K-12 charter school.

District school boards must annually proportionately share the revenue generated by the millage levy with charter schools in the school district on a per-student basis or be subject to a Florida Education Finance Program recalculation to provide for this allocation to charter schools in the district. Recalculated funds are to be submitted by the district school board to its charter schools within 30 days of receipt and are only to be used for capital outlay purposes.

Federal funds issued for the benefit of charter schools and students and sent to a district school board must be distributed in full within 60 days of receipt.

High-performing charter schools would be authorized to replicate up to three new schools per year.

High-performing charter schools that are part of a system would be given greater flexibility to make changes as follows:

- Increase student enrollment once each school year by up to 15 percent more than the capacity authorized in the charter, subject to written notice to the sponsor;
- Expand grade levels within K-12 grades to add grade levels not already served if the annual enrollment increase is within allowable limits, subject to written notice to the sponsor;
- Submit a quarterly, rather than monthly, financial statement to the sponsor;

- Consolidate under a single charter the charters of multiple high-performing charter schools located in the same district by the charter schools' governing boards, irrespective of the renewal cycle; and
- Increase the charter term to up to 15 years or a 15-year charter renewal, providing that the charter is compliant with certain statutory provisions related to renewal.

This bill substantially amends sections 1002.33, 1002.331, and 1002.332 of the Florida Statutes.

II. Present Situation:

Charter Schools

Charter schools are governed in law by s. 1002.33, F.S. Charter schools are considered to be public schools.¹ Terms and conditions for charter school operation are to be agreed to by the sponsor and applicant through a written contractual agreement, which represents the charter.² Although the initial term of a charter is restricted to four or five years, to facilitate access to long-term financial construction funding, s. 1002.33(7)(a)12., F.S., authorizes charters of up to 15 years for those operated by a municipality or other public entity, or by a private not-for-profit 501(c)(3) corporation.

Various individuals and entities are authorized to file an application for a new charter school, including teachers, parents, a group of individuals, a municipality or a legal entity.³ District school boards and state universities (regarding the creation of a charter lab school) are authorized to serve as sponsors of charter schools. Sponsors review and approve or deny charter school applications, monitor progress, and ensure compliance with state education goals and participation in the education accountability system.⁴

Florida College System institutions are authorized to develop charter schools in collaboration with the school district, provided that the charter schools include an option for students to receive an associate degree upon high school graduation.⁵

The 2011 Florida Legislature established the designation of “high-performing charter schools” and “high-performing charter school systems.”⁶ A charter school is considered high-performing if it:

- Received at least two “A” grades and no school grade below “B” during each of the previous 3 school years;
- Received an unqualified opinion on each annual financial audit in the last three fiscal years for which audits are available; and
- Did not receive a financial audit that showed one or more financial emergency conditions in the last three fiscal years for which audits are available.

¹ s. 1002.33(1), F.S.

² s. 1002.33(6)(h), F.S.

³ s. 1002.33(3), F.S.

⁴ s. 1002.33(5), F.S.

⁵ s. 1002.33(5)(j), F.S.

⁶ ch. 2011-232, L.O.F.

Virtual charter schools cannot be considered for designation as a high-performing charter school.⁷

High-performing charter schools are granted certain benefits by virtue of their designation. These schools are authorized to:

- Increase student enrollment once a year by up to 15 percent more than capacity identified in the charter;
- Expand grade levels within K-12 grades to add grades if the annual enrollment increase is not exceeded;
- Submit a quarterly, rather than monthly financial statement to the sponsor;
- Consolidate charters of multiple, high-performing charter schools under a single charter;
- Receive a modification of its charter to a term of 15 years or a 15 year charter renewal, although it remains subject to annual sponsor review and termination provisions; and
- Replicate at the rate of one charter per year.⁸

Written notification, including an exact enrollment increase and specified grade levels, must be provided to a sponsor by March 1 if a high-performing charter school intends to increase enrollment or expand grade levels the following year.

High-performing charter school systems are defined as an entity that:

- Operates at least three high-performing charter schools in the state;
- Operates a system of charter schools in which at least 50 percent are high-performing and, no charter school received a school grade of “D” or “F”, except in instances where:
 - The entity took over operation of a public school with a “D” or “F” grade and in this case, the grade is not to be considered for high-performing purposes for three years; or
 - A new charter school is started that serves a student population, the majority of which is in a school zone served by a public school identified as lowest performing. In this case, the grade will not be considered if it maintains a grade that is higher than that public school within three years of establishment; and
- Has not received a financial audit showing one or more financial emergency conditions for any charter school now operated by the entity.

Upon request by an entity, the Commissioner of Education is required to provide a letter of verification that the entity is designated as a high-performing charter school system.

High-performing charter school systems are authorized to replicate schools pursuant to the same method and at the same rate prescribed for high-performing charter school replication.⁹

To date, 115 charter schools have received high-performing designation. As of August 1, 2011, districts received 47 applications from high-performing charter schools requesting replication.¹⁰

⁷ s. 1002.331(1), F.S.

⁸ s. 1002.331(2)(e) and (3)(a), F.S..

⁹ s. 1002.332(1) and (2), F.S.

District School Tax

In addition to other millage authorized for current operation, each school board may levy up to 1.5 mills more against the taxable value for school purposes for district schools, including charter schools, at the school board's discretion, to fund:

- New construction and remodeling, as included in the district's educational plant survey;
- Maintenance, renovation, and repair of existing school plants or leased facilities to correct deficiencies;
- Purchase, lease-purchase or lease of school buses or of new and replacement equipment, computer hardware;
- Payments for educational facilities and sites due under a lease-purchase agreement up to a specified cap;
- Payment of certain loans, costs required for state and federal compliance, costs of leasing relocatable educational facilities and cost of certain school buses; and
- Payment of the cost of the initial library collection at a new school.¹¹

III. Effect of Proposed Changes:

This bill authorizes Florida College System institutions that offer an approved teacher preparation program to operate one K-12 charter school. This represents an expansion of grade levels, as authority is currently limited to development of secondary charter schools.

District school boards must annually proportionately share the revenue generated by the millage levy with charter schools in the school district on a per-student basis or be subject to FEFP recalculation to provide for this allocation to charter schools in the district. Currently, district school boards have discretionary authority to share this revenue. According to the Department of Education (DOE), currently three school districts provide charter schools with these funds.¹²

Recalculated funds are to be submitted by the district school board to its charter schools within 30 days of receipt and are only to be used for capital outlay purposes.

Federal funds issued for the benefit of charter schools and students and sent to a district school board must be distributed in full within 60 days of receipt, including funds received through Title I and Title II of the Elementary and Secondary Education Act and the Individuals with Disabilities Education Act (IDEA).

High-performing charter schools would be authorized to establish a maximum of three new charter schools annually, which is an increase from the current one new school per year authorized in law.

¹⁰ DOE Draft Bill Analysis on SB 1852 (January 19, 2012); On file with the Senate Committee on Education Pre-K – 12.

¹¹ s. 1011.71 (2), F.S.

¹² DOE Draft Bill Analysis on SB 1852 (January 19, 2012); On file with the Senate Committee on Education Pre-K – 12.

High-performing charter schools that are part of a system would be given greater flexibility to make changes as follows:

- Increase student enrollment once a school year by up to 15 percent more than the capacity authorized in the charter, subject to written notice to the sponsor;
- Expand grade levels within K-12 grades to add grade levels not already served if the annual enrollment increase is within allowable limits, subject to written notice to the sponsor;
- Submit a quarterly, rather than monthly, financial statement to the sponsor;
- Consolidate under a single charter the charters of multiple high-performing charter schools located in the same district by the charter schools' governing boards, irrespective of renewal cycle; and
- Increase the charter term to up to 15 years or a 15-year charter renewal, providing that the charter is compliant with statutory provisions regarding written notification to the sponsor and capacity determination requirements.

This is the same flexibility currently extended to high-performing charter schools irrespective of whether they are part of a system.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

Under the authority to increase by three new schools per year, high-performing charter schools would be able to expand more quickly. High-performing charter schools that are part of a system would also be able to increase in scope and size more quickly, and also replicate faster under these provisions.

C. Government Sector Impact:

District school boards would be required to equally share the revenue generated through additional millage with charter schools, based upon a set per-student formula.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Additional Information:

A. Committee Substitute – Statement of Substantial Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.