By Senator Stargel

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A bill to be entitled An act relating to school choice; amending s. 1002.33, F.S.; revising the required contents of a charter school application; providing for the automatic termination of a charter under certain conditions; requiring a sponsor to notify certain parties when a charter is automatically terminated; prohibiting a charter school from denying the application or continued enrollment of certain students; revising enrollment preferences; specifying that the reading curriculum and instructional strategies in a charter school's charter satisfy the research-based reading plan requirement and that charter schools are eligible for the research-based reading allocation; revising requirements for payments to charter schools; prohibiting a school board from delaying payment for specified reasons; amending s. 1002.331, F.S.; specifying that certain limits on the number of charter schools established do not apply under certain circumstances; deleting provisions relating to charter schools that receive certain school grades; creating s. 1002.333, F.S.; defining terms; authorizing certain entities to apply for status as a High-Impact Charter Network; requiring the State Board of Education to adopt rules to prescribe a specified review process; prohibiting certain school grades from being used to determine critical need areas; providing funding for charter schools under certain circumstances; waiving certain fees; providing that the High-Impact Charter

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Network status is valid for only a specified time; providing for rulemaking; amending s. 1002.45, F.S.; revising approved provider's contract termination requirements for a virtual instruction program; amending s. 1013.62, F.S.; revising charter school eligibility requirements for funding allocations; providing an effective date.

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

Section 1. Paragraphs (a) and (b) of subsection (6), paragraph (n) of subsection (9), paragraphs (b) and (d) of subsection (10), and paragraphs (b) and (e) of subsection (17) of section 1002.33, Florida Statutes, are amended to read:

1002.33 Charter schools.-

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

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

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

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

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

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

- 4. Describes the reading curriculum and differentiated strategies that will be used for students reading at grade level or higher and a separate curriculum and strategies for students who are reading below grade level. A sponsor shall deny a charter if the school does not propose a reading curriculum that is consistent with effective teaching strategies that are grounded in scientifically based reading research.
- 5. Contains an annual financial plan for each year requested by the charter for operation of the school for up to 5 years. This plan must contain anticipated fund balances based on revenue projections, a spending plan based on projected revenues and expenses, and a description of controls that will safeguard finances and projected enrollment trends.
- 6. Contains additional information a sponsor may require, which shall be attached as an addendum to the charter school application described in this paragraph.
- 7. Contains a list and school grades of all charter schools currently or previously operated by the applicant, applicant group, or proposed management company.
- 8.7. For the establishment of a virtual charter school, documents that the applicant has contracted with a provider of virtual instruction services pursuant to s. 1002.45(1)(d).
- (b) A sponsor shall receive and review all applications for a charter school using an evaluation instrument developed by the Department of Education and shall consider the performance of all charter schools currently or previously operated by the applicant, applicant group, or proposed management company. A

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sponsor shall receive and consider charter school applications received on or before August 1 of each calendar year for charter schools to be opened at the beginning of the school district's next school year, or to be opened at a time agreed to by the applicant and the sponsor. A sponsor may not refuse to receive a charter school application submitted before August 1 and may receive an application submitted later than August 1 if it chooses. In order to facilitate greater collaboration in the application process, an applicant may submit a draft charter school application on or before May 1 with an application fee of \$500. If a draft application is timely submitted, the sponsor shall review and provide feedback as to material deficiencies in the application by July 1. The applicant shall then have until August 1 to resubmit a revised and final application. The sponsor may approve the draft application. A sponsor may not charge an applicant for a charter any fee for the processing or consideration of an application, and a sponsor may not base its consideration or approval of a final application upon the promise of future payment of any kind. Before approving or denying any final application, the sponsor shall allow the applicant, upon receipt of written notification, at least 7 calendar days to make technical or nonsubstantive corrections and clarifications, including, but not limited to, corrections of grammatical, typographical, and like errors or missing signatures, if such errors are identified by the sponsor as cause to deny the final application.

1. In order to facilitate an accurate budget projection process, a sponsor shall be held harmless for FTE students who are not included in the FTE projection due to approval of

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charter school applications after the FTE projection deadline. In a further effort to facilitate an accurate budget projection, within 15 calendar days after receipt of a charter school application, a sponsor shall report to the Department of Education the name of the applicant entity, the proposed charter school location, and its projected FTE.

- 2. In order to ensure fiscal responsibility, an application for a charter school shall include a full accounting of expected assets, a projection of expected sources and amounts of income, including income derived from projected student enrollments and from community support, and an expense projection that includes full accounting of the costs of operation, including start-up costs.
- 3.a. A sponsor shall by a majority vote approve or deny an application no later than 60 calendar days after the application is received, unless the sponsor and the applicant mutually agree in writing to temporarily postpone the vote to a specific date, at which time the sponsor shall by a majority vote approve or deny the application. If the sponsor fails to act on the application, an applicant may appeal to the State Board of Education as provided in paragraph (c). If an application is denied, the sponsor shall, within 10 calendar days after such denial, articulate in writing the specific reasons, based upon good cause, supporting its denial of the charter application and shall provide the letter of denial and supporting documentation to the applicant and to the Department of Education.
- b. An application submitted by a high-performing charter school identified pursuant to s. 1002.331 may be denied by the sponsor only if the sponsor demonstrates by clear and convincing

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evidence that:

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(I) The application does not materially comply with the requirements in paragraph (a);

- (II) The charter school proposed in the application does not materially comply with the requirements in paragraphs (9)(a)-(f);
- (III) The proposed charter school's educational program does not substantially replicate that of the applicant or one of the applicant's high-performing charter schools;
- (IV) The applicant has made a material misrepresentation or false statement or concealed an essential or material fact during the application process; or
- (V) The proposed charter school's educational program and financial management practices do not materially comply with the requirements of this section.

Material noncompliance is a failure to follow requirements or a violation of prohibitions applicable to charter school applications, which failure is quantitatively or qualitatively

significant either individually or when aggregated with other

noncompliance. An applicant is considered to be replicating a

high-performing charter school if the proposed school is

substantially similar to at least one of the applicant's high-

performing charter schools and the organization or individuals

involved in the establishment and operation of the proposed

school are significantly involved in the operation of replicated

172 schools.

c. If the sponsor denies an application submitted by a high-performing charter school, the sponsor must, within 10

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calendar days after such denial, state in writing the specific reasons, based upon the criteria in sub-subparagraph b., supporting its denial of the application and must provide the letter of denial and supporting documentation to the applicant and to the Department of Education. The applicant may appeal the sponsor's denial of the application directly to the State Board of Education pursuant to sub-subparagraph (c) 3.b.

- 4. For budget projection purposes, the sponsor shall report to the Department of Education the approval or denial of a charter application within 10 calendar days after such approval or denial. In the event of approval, the report to the Department of Education shall include the final projected FTE for the approved charter school.
- 5. Upon approval of a charter application, the initial startup shall commence with the beginning of the public school calendar for the district in which the charter is granted unless the sponsor allows a waiver of this subparagraph for good cause.
 - (9) CHARTER SCHOOL REQUIREMENTS.-
- (n)1. The director and a representative of the governing board of a charter school that has earned a grade of "D" or "F" pursuant to s. 1008.34 shall appear before the sponsor to present information concerning each contract component having noted deficiencies. The director and a representative of the governing board shall submit to the sponsor for approval a school improvement plan to raise student performance. Upon approval by the sponsor, the charter school shall begin implementation of the school improvement plan. The department shall offer technical assistance and training to the charter school and its governing board and establish guidelines for

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developing, submitting, and approving such plans.

2.a. If a charter school earns three consecutive grades of "D," two consecutive grades of "D" followed by a grade of "F," or two nonconsecutive grades of "F" within a 3-year period, the charter school governing board shall choose one of the following corrective actions:

- (I) Contract for educational services to be provided directly to students, instructional personnel, and school administrators, as prescribed in state board rule;
- (II) Contract with an outside entity that has a demonstrated record of effectiveness to operate the school;
- (III) Reorganize the school under a new director or principal who is authorized to hire new staff; or
 - (IV) Voluntarily close the charter school.
- b. The charter school must implement the corrective action in the school year following receipt of a third consecutive grade of "D," a grade of "F" following two consecutive grades of "D," or a second nonconsecutive grade of "F" within a 3-year period.
- c. The sponsor may annually waive a corrective action if it determines that the charter school is likely to improve a letter grade if additional time is provided to implement the intervention and support strategies prescribed by the school improvement plan. Notwithstanding this sub-subparagraph, a charter school that earns a second consecutive grade of "F" is subject to subparagraph 4.
- d. A charter school is no longer required to implement a corrective action if it improves by at least one letter grade. However, the charter school must continue to implement

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strategies identified in the school improvement plan. The sponsor must annually review implementation of the school improvement plan to monitor the school's continued improvement pursuant to subparagraph 5.

- e. A charter school implementing a corrective action that does not improve by at least one letter grade after 2 full school years of implementing the corrective action must select a different corrective action. Implementation of the new corrective action must begin in the school year following the implementation period of the existing corrective action, unless the sponsor determines that the charter school is likely to improve a letter grade if additional time is provided to implement the existing corrective action. Notwithstanding this sub-subparagraph, a charter school that earns a second consecutive grade of "F" while implementing a corrective action is subject to subparagraph 4.
- 3. A charter school with a grade of "D" or "F" that improves by at least one letter grade must continue to implement the strategies identified in the school improvement plan. The sponsor must annually review implementation of the school improvement plan to monitor the school's continued improvement pursuant to subparagraph 5.
- 4.a. A charter school's charter is automatically terminated if the school earns The sponsor shall terminate a charter if the charter school earns two consecutive grades of "F" after all school grade appeals are final, unless:
- (I) a. The charter school is established to turn around the performance of a district public school pursuant to s. 1008.33(4)(b)3. Such charter schools shall be governed by s.

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1008.33;

(II) b. The charter school serves a student population the majority of which resides in a school zone served by a district public school that earned a grade of "F" in the year before the charter school opened and the charter school earns at least a grade of "D" in its third year of operation. The exception provided under this <u>sub-</u>sub-subparagraph does not apply to a charter school in its fourth year of operation and thereafter; or

(III) e. The state board grants the charter school a waiver of termination. The charter school must request the waiver within 15 days after the department's official release of school grades. The state board may waive termination if the charter school demonstrates that the Learning Gains of its students on statewide assessments are comparable to or better than the Learning Gains of similarly situated students enrolled in nearby district public schools. The waiver is valid for 1 year and may only be granted once. Charter schools that have been in operation for more than 5 years are not eligible for a waiver under this sub-sub-subparagraph.

- b. The sponsor shall notify in writing the charter school's governing board, the charter school principal, and the department when a charter is terminated under this subparagraph. The school district's letter of termination shall be governed by the requirements of paragraph (8)(c). If a charter is terminated under this subparagraph, the charter school is governed by the requirements of paragraph (0) and paragraphs (8)(e)-(g).
- 5. The director and a representative of the governing board of a graded charter school that has implemented a school

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improvement plan under this paragraph shall appear before the sponsor at least once a year to present information regarding the progress of intervention and support strategies implemented by the school pursuant to the school improvement plan and corrective actions, if applicable. The sponsor shall communicate at the meeting, and in writing to the director, the services provided to the school to help the school address its deficiencies.

- 6. Notwithstanding any provision of this paragraph except sub-subparagraph 4.a. sub-subparagraphs 4.a.-c., the sponsor may terminate the charter at any time pursuant to subsection (8).
 - (10) ELIGIBLE STUDENTS.-
- (b) The charter school shall enroll an eligible student who submits a timely application, unless the number of applications exceeds the capacity of a program, class, grade level, or building. In such case, all applicants shall have an equal chance of being admitted through a random selection process. A charter school may not deny the application or continued enrollment of a student based on the student's current or prior academic performance, including grade retention.
- (d) A charter school may give enrollment preference to the following student populations:
- 1. Students who are siblings of a student enrolled in the charter school.
- 2. Students who are the children of a member of the governing board of the charter school.
- 3. Students who are the children of an employee of the charter school.
 - 4. Students who are the children of:

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a. An employee of the business partner of a charter school-in-the-workplace established under paragraph (15)(b) or a resident of the municipality in which such charter school is located; or

- b. A resident of a municipality that operates a charter school-in-a-municipality pursuant to paragraph (15)(c).
- 5. Students who have successfully completed a voluntary prekindergarten education program under ss. 1002.51-1002.79 provided by the charter school or the charter school's governing board during the previous year.
- 6. Students who are the children of an active duty member of any branch of the United States Armed Forces.
- 7. Students who are currently enrolled or were enrolled during the prior school year in a public school that earned a grade of "F" or that earned three consecutive grades of "D" or who are zoned for such school.
- (17) FUNDING.—Students enrolled in a charter school, regardless of the sponsorship, shall be funded as if they are in a basic program or a special program, the same as students enrolled in other public schools in the school district. Funding for a charter lab school shall be as provided in s. 1002.32.
- (b) The basis for the agreement for funding students enrolled in a charter school shall be the sum of the school district's operating funds from the Florida Education Finance Program as provided in s. 1011.62 and the General Appropriations Act, including gross state and local funds, discretionary lottery funds, and funds from the school district's current operating discretionary millage levy; divided by total funded weighted full-time equivalent students in the school district;

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multiplied by the weighted full-time equivalent students for the charter school. Charter schools whose students or programs meet the eligibility criteria in law are entitled to their proportionate share of categorical program funds included in the total funds available in the Florida Education Finance Program by the Legislature, including transportation, research-based reading allocation, and the Florida digital classrooms allocation. Total funding for each charter school shall be recalculated during the year to reflect the revised calculations under the Florida Education Finance Program by the state and the actual weighted full-time equivalent students reported by the charter school during the full-time equivalent student survey periods designated by the Commissioner of Education.

(e) District school boards shall make timely and efficient payment and reimbursement to charter schools, including processing paperwork required to access special state and federal funding for which they may be eligible. Payments of the funds in paragraph (b) shall be made monthly or bimonthly, beginning with the start of the district school board's fiscal year. Each payment must be one-twelfth or one-twenty-fourth, as applicable, of the total state and local funds described in paragraph (b). The district school board may distribute such funds to a charter school for up to 3 months based on the projected full-time equivalent student membership of the charter school. Thereafter, the results of full-time equivalent student membership surveys shall be used in adjusting the amount of funds distributed monthly to the charter school for the remainder of the fiscal year. The payments payment shall be issued no later than 10 working days after the district school

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board receives a distribution of state or federal funds or the date the payment is due as specified in this subsection. If a warrant for payment is not issued within 10 working days after receipt of funding by the district school board, the school district shall pay to the charter school, in addition to the amount of the scheduled disbursement, interest at a rate of 1 percent per month calculated on a daily basis on the unpaid balance from the expiration of the 10 working days until such time as the warrant is issued. The district school board may not delay payment of any portion of the funds set forth in paragraph (b) to a charter school if receipt of local funds is delayed.

Section 2. Paragraph (b) of subsection (3) and subsection (4) of section 1002.331, Florida Statutes, are amended to read: 1002.331 High-performing charter schools.—
(3)

(b) A high-performing charter school may not establish more than one charter school within the state under paragraph (a) in any year. A subsequent application to establish a charter school under paragraph (a) may not be submitted unless each charter school established in this manner achieves high-performing charter school status. The limits specified in this paragraph do not apply to a charter school established by a high-performing charter school in the attendance zone of a school identified as in need of intervention and support pursuant to s. 1008.33(3)(b) or to meet capacity needs or needs for innovative choice options identified by the district school board.

(4) A high-performing charter school may not increase enrollment or expand grade levels following any school year in which it receives a school grade of "C" or below. If the charter

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school receives a school grade of "C" or below in any 2 years during the term of the charter awarded under subsection (2), the term of the charter may be modified by the sponsor and the charter school loses its high-performing charter school status until it regains that status under subsection (1).

Section 3. Section 1002.333, Florida Statutes, is created to read:

- 1002.333 High-Impact Charter Network.
- (1) For the purposes of this section, the term:
- (a) "Critical need area" means an area that is served by one or more traditional public schools that meet at least one of the following criteria:
- 1. Received a school grade of "D" or "F" pursuant to s.
 1008.34 in 4 of the preceding 5 years; or
- 2. Had fewer than 25 percent of students passing statewide, standardized assessments in English Language Arts under s.

 1008.22(3) in the most recent year for which assessment scores are available.
- (b) "Entity" means a nonprofit organization with tax-exempt status under s. 501(c)(3) of the Internal Revenue Code which is authorized by law to operate a public charter school.
- (2) An entity that successfully operates a system of charter schools that serve primarily educationally disadvantaged students, as provided in the federal Elementary and Secondary Education Act, 20 U.S.C. s. 1115(b)(2), may apply to the State Board of Education for status as a High-Impact Charter Network.
- (a) The state board shall adopt rules prescribing a process to review the entity's application. The process must include a review of the following:

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1. Statewide assessments of all charter schools currently and previously operated by the entity, including schoolwide and subgroup performance, for the 3 most recent years as compared to all students in other schools at the same grade level, and as compared with other schools serving similar student demographics. The review may also include performance on nationally norm-referenced assessments, student attendance and retention rates, graduation rates, college attendance rates, college persistence rates, and other outcome measures as determined by the state board.

- 2. School-level financial performance.
- (b) An entity that is designated as a High-Impact Charter Network may submit a charter school application pursuant to s. 1002.33 to establish and operate charter schools in critical need areas. For purposes of determining critical need areas, school grades issued for the 2014-2015 school year may not be considered.
- (c) Notwithstanding s. 1013.62(1)(a), a charter school operated by a High-Impact Charter Network in a critical need area is eligible to receive charter school capital outlay funding. The administrative fee required under s. 1002.33(20)(a)2. shall be waived for a charter school established by a High-Impact Charter Network in a critical need area as long as the network maintains its status as a High-Impact Charter Network.
- (3) The High-Impact Charter Network status is valid for up to 4 years. If an entity seeks status renewal, the state board shall review, pursuant to subsection (2), the academic and financial performance of the charter schools established in

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critical need areas and operated by the entity.

(4) The State Board of Education shall adopt rules to administer this section.

Section 4. Paragraphs (c) and (d) of subsection (8) of section 1002.45, Florida Statutes, are amended to read:

1002.45 Virtual instruction programs.—

- (8) ASSESSMENT AND ACCOUNTABILITY.-
- (c) An approved provider that receives a school grade of "D" or "F" under s. 1008.34 or a school improvement rating of "Unsatisfactory" "Declining" under s. 1008.341 must file a school improvement plan with the department for consultation to determine the causes for low performance and to develop a plan for correction and improvement.
- be terminated if the provider earns two consecutive school grades of receives a school grade of "D" or "F" under s.

 1008.34, receives two consecutive or a school improvement ratings rating of "Unsatisfactory" "Declining" under s.

 1008.341, for 2 years during any consecutive 4-year period or has violated any qualification requirement pursuant to subsection (2). A provider that has a contract terminated under this paragraph may not be an approved provider for a period of at least 1 year after the date upon which the contract was terminated and until the department determines that the provider is in compliance with subsection (2) and has corrected each cause of the provider's low performance.

Section 5. Paragraph (a) of subsection (1) of section 1013.62, Florida Statutes, is amended to read:

1013.62 Charter schools capital outlay funding.-

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(1) In each year in which funds are appropriated for charter school capital outlay purposes, the Commissioner of Education shall allocate the funds among eligible charter schools.

- (a) To be eligible for a funding allocation, a charter school must:
 - 1.a. Have been in operation for 3 or more years;
- b. Be governed by a governing board established in the state for 3 or more years which operates both charter schools and conversion charter schools within the state;
- c. Be an expanded feeder chain of a charter school within the same school district that is currently receiving charter school capital outlay funds;
- d. Have been accredited by the Commission on Schools of the Southern Association of Colleges and Schools; or
- e. Serve students in facilities that are provided by a business partner for a charter school-in-the-workplace pursuant to s. 1002.33(15)(b).
- 2. Have an annual audit that does not reveal one or more of the financial emergency conditions specified in s. 218.503(1) for the most recent fiscal year for which such audit is available stability for future operation as a charter school.
- 3. Have satisfactory student achievement based on state accountability standards applicable to the charter school.
- 4. Have received final approval from its sponsor pursuant to s. 1002.33 for operation during that fiscal year.
- 5. Serve students in facilities that are not provided by the charter school's sponsor.
 - Section 6. This act shall take effect July 1, 2016.