By Senator Farmer

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A bill to be entitled

An act relating to charter schools; amending s. 1002.33, F.S.; revising the fiscal responsibility requirements for the charter school application and review process; amending s. 1013.24, F.S.; requiring private property taken by eminent domain for a public school purpose or use to be used only for traditional public schools; defining the term "traditional public schools"; amending s. 1013.62, F.S.; authorizing, rather than requiring, a school district to distribute specified funding to eligible charter schools in its district; amending s. 1011.71, F.S.; conforming a provision to changes made by the act; providing an effective date.

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

Section 1. Paragraph (b) of subsection (6) of section 1002.33, Florida Statutes, is amended to read:

1002.33 Charter schools.-

- (6) APPLICATION PROCESS AND REVIEW.—Charter school applications are subject to the following requirements:
- (b) A sponsor shall receive and review all applications for a charter school using the evaluation instrument developed by the Department of Education. A 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

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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. Beginning in 2018 and thereafter, a sponsor shall receive and consider charter school applications received on or before February 1 of each calendar year for charter schools to be opened 18 months later at the beginning of the school district's 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 February 1 and may receive an application submitted later than February 1 if it chooses. 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 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 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

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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 <u>must shall</u> include <u>proof that the entity</u> financing the charter school has a bond rating of at least A- by a nationally recognized source; 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. A school district that submits a conversion charter school application and that does not have a bond rating may receive up to \$30,000 of state funds towards the creation of an implied general obligation rating.
- 3.a. A sponsor shall by a majority vote approve or deny an application no later than 90 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 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 or a high-performing

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charter school system identified pursuant to s. 1002.332 may be denied by the sponsor only if the sponsor demonstrates by clear and convincing evidence that:

- (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 schools.

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c. If the sponsor denies an application submitted by a high-performing charter school or a high-performing charter school system, the sponsor must, within 10 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 in accordance with paragraph (c).

- 4. For budget projection purposes, the sponsor shall report to the Department of Education the approval or denial of an 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 an application, the initial startup shall commence with the beginning of the public school calendar for the district in which the charter is granted. A charter school may defer the opening of the school's operations for up to 2 years to provide time for adequate facility planning. The charter school must provide written notice of such intent to the sponsor and the parents of enrolled students at least 30 calendar days before the first day of school.

Section 2. Section 1013.24, Florida Statutes, is amended to read:

1013.24 Right of eminent domain.—There is conferred upon the district school boards in the state the authority and right to take private property for any public school purpose or use when, in the opinion of the school board, such property is

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needed in the operation of any or all of the <a href="traditional">traditional</a> public schools within the district, including property needed for any school purpose or use in any school district or districts within the county. The absolute fee simple title to all property so taken and acquired shall vest in the district school board, unless the school board seeks to appropriate a particular right or estate in such property. For purposes of this section, the term "traditional public schools" does not include charter schools.

Section 3. Subsection (3) of section 1013.62, Florida Statutes, is amended to read:

1013.62 Charter schools capital outlay funding.-

- (3) If the school board levies the discretionary millage authorized in s. 1011.71(2), the department shall use the following calculation methodology to determine the amount of revenue that a school district may, at the discretion of the school board, must distribute to each eligible charter school:
- (a) Reduce the total discretionary millage revenue by the school district's annual debt service obligation incurred as of March 1, 2017, and any amount of participation requirement pursuant to s. 1013.64(2)(a)8. that is being satisfied by revenues raised by the discretionary millage.
- (b) Divide the school district's adjusted discretionary millage revenue by the district's total capital outlay full-time equivalent membership and the total number of unweighted full-time equivalent students of each eligible charter school to determine a capital outlay allocation per full-time equivalent student.
  - (c) Multiply the capital outlay allocation per full-time

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equivalent student by the total number of full-time equivalent students of each eligible charter school to determine the capital outlay allocation for each charter school.

- (d) If applicable, reduce the capital outlay allocation identified in paragraph (c) by the total amount of state funds allocated to each eligible charter school in subsection (2) to determine the maximum calculated capital outlay allocation.
- (e) A school district that chooses to share capital outlay funds with charter schools within the district districts shall distribute the capital outlay funds to the charter schools no later than February 1 of each year, beginning on February 1, 2018, for the 2017-2018 fiscal year.

Section 4. Subsection (2) of section 1011.71, Florida Statutes, is amended to read:

1011.71 District school tax.-

- (2) In addition to the maximum millage levy as provided in subsection (1), each school board may levy not more than 1.5 mills against the taxable value for school purposes for charter schools pursuant to s. 1013.62(3), at the discretion of the district school board, and for district schools to fund:
- (a) New construction and remodeling projects, as set forth in s. 1013.64(3)(d) and (6)(b) and included in the district's educational plant survey pursuant to s. 1013.31, without regard to prioritization, sites and site improvement or expansion to new sites, existing sites, auxiliary facilities, athletic facilities, or ancillary facilities.
- (b) Maintenance, renovation, and repair of existing school plants or of leased facilities to correct deficiencies pursuant to s. 1013.15(2).

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(c) The purchase, lease-purchase, or lease of school buses.

- (d) The purchase, lease-purchase, or lease of new and replacement equipment; computer and device hardware and operating system software necessary for gaining access to or enhancing the use of electronic and digital instructional content and resources; and enterprise resource software applications that are classified as capital assets in accordance with definitions of the Governmental Accounting Standards Board, have a useful life of at least 5 years, and are used to support districtwide administration or state-mandated reporting requirements. Enterprise resource software may be acquired by annual license fees, maintenance fees, or lease agreements.
- (e) Payments for educational facilities and sites due under a lease-purchase agreement entered into by a district school board pursuant to s. 1003.02(1)(f) or s. 1013.15(2), not exceeding, in the aggregate, an amount equal to three-fourths of the proceeds from the millage levied by a district school board pursuant to this subsection. The three-fourths limit is waived for lease-purchase agreements entered into before June 30, 2009, by a district school board pursuant to this paragraph.
- (f) Payment of loans approved pursuant to ss. 1011.14 and 1011.15.
- (g) Payment of costs directly related to complying with state and federal environmental statutes, rules, and regulations governing school facilities.
- (h) Payment of costs of leasing relocatable educational facilities, of renting or leasing educational facilities and sites pursuant to s. 1013.15(2), or of renting or leasing buildings or space within existing buildings pursuant to s.

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233 1013.15(4).

(i) Payment of the cost of school buses when a school district contracts with a private entity to provide student transportation services if the district meets the requirements of this paragraph.

- 1. The district's contract must require that the private entity purchase, lease-purchase, or lease, and operate and maintain, one or more school buses of a specific type and size that meet the requirements of s. 1006.25.
- 2. Each such school bus must be used for the daily transportation of public school students in the manner required by the school district.
- 3. Annual payment for each such school bus may not exceed 10 percent of the purchase price of the state pool bid.
- 4. The proposed expenditure of the funds for this purpose must have been included in the district school board's notice of proposed tax for school capital outlay as provided in s. 200.065(10).
- (j) Payment of the cost of the opening day collection for the library media center of a new school.
- (k) Payout of sick leave and annual leave accrued as of June 30, 2017, by individuals who are no longer employed by a school district that transfers to a charter school operator all day-to-day classroom instruction responsibility for all full-time equivalent students funded under s. 1011.62. This paragraph expires July 1, 2018.
  - Section 5. This act shall take effect July 1, 2018.