1 A bill to be entitled 2 An act relating to schools of hope; amending s. 3 218.39, F.S.; adding certain hope operators to the 4 list of entities required to perform an annual 5 financial audit; amending s. 1002.333, F.S.; revising 6 the definition of "persistently low-performing school" 7 to specify that a certain provision only applies to 8 years in which the school received a grade; providing 9 that certain schools of hope report students to the 10 department in a specified manner; specifying reporting 11 provisions that only apply to certain schools of hope; 12 revising provisions related to financial statements to apply to a hope operator; revising provisions related 13 14 to the list of specified facilities; revising the date 15 such list is due; revising the entities that provides 16 and receive such list; providing how errors on the 17 list may be corrected; revising the length of time certain funds may be carried forward; amending s. 18 19 1012.32, F.S.; requiring certain school of hope personnel to undergo background screening; providing 20 21 how such screening may be completed; amending s. 22 1013.62, F.S.; providing that schools of hope are 23 eligible to receive certain funds; providing an 24 effective date. 25

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26 Be It Enacted by the Legislature of the State of Florida: 27 28 Section 1. Subsections (1), (5), and (6), paragraph (b) of 29 subsection (8), and subsection (10) of section 218.39, Florida 30 Statutes, are amended to read: 31 218.39 Annual financial audit reports.-32 (1)If, by the first day in any fiscal year, a local 33 governmental entity, district school board, charter school, hope 34 operator, or charter technical career center has not been 35 notified that a financial audit for that fiscal year will be 36 performed by the Auditor General, each of the following entities 37 shall have an annual financial audit of its accounts and records 38 completed within 9 months after the end of its fiscal year by an 39 independent certified public accountant retained by it and paid from its public funds: 40 41 (a) Each county. 42 Any municipality with revenues or the total of (b) 43 expenditures and expenses in excess of \$250,000, as reported on 44 the fund financial statements. 45 Any special district with revenues or the total of (C) 46 expenditures and expenses in excess of \$100,000, as reported on the fund financial statements. 47 Each district school board. 48 (d) Each charter school established under s. 1002.33. 49 (e) 50 Each charter technical center established under s. (f) Page 2 of 12

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51 1002.34.

(g) Each municipality with revenues or the total of expenditures and expenses between \$100,000 and \$250,000, as reported on the fund financial statements, which has not been subject to a financial audit pursuant to this subsection for the 2 preceding fiscal years.

(h) Each special district with revenues or the total of expenditures and expenses between \$50,000 and \$100,000, as reported on the fund financial statement, which has not been subject to a financial audit pursuant to this subsection for the 2 preceding fiscal years.

(i) Each hope operator, as defined in s. 1002.333,
 currently operating at least one school of hope.

64 (5) At the conclusion of the audit, the auditor shall 65 discuss with the chair of the governing body of the local 66 governmental entity or the chair's designee, the elected 67 official of each county agency or the elected official's 68 designee, the chair of the district school board or the chair's 69 designee, the chair of the board of the charter school or the chair's designee, the chair of the board of the hope operator or 70 71 the chair's designee, or the chair of the board of the charter 72 technical career center or the chair's designee, as appropriate, all of the auditor's comments that will be included in the audit 73 74 report. If the officer is not available to discuss the auditor's 75 comments, their discussion is presumed when the comments are

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delivered in writing to his or her office. The auditor shall notify each member of the governing body of a local governmental entity, district school board, charter school, <u>hope operator</u>, or charter technical career center for which:

80 (a) Deteriorating financial conditions exist that may
81 cause a condition described in s. 218.503(1) to occur if actions
82 are not taken to address such conditions.

83 (b) A fund balance deficit in total or a deficit for that portion of a fund balance not classified as restricted, 84 85 committed, or nonspendable, or a total or unrestricted net 86 assets deficit, as reported on the fund financial statements of 87 entities required to report under governmental financial 88 reporting standards or on the basic financial statements of 89 entities required to report under not-for-profit financial reporting standards, for which sufficient resources of the local 90 91 governmental entity, charter school, hope operator, charter 92 technical career center, or district school board, as reported 93 on the fund financial statements, are not available to cover the 94 deficit. Resources available to cover reported deficits include 95 fund balance or net assets that are not otherwise restricted by 96 federal, state, or local laws, bond covenants, contractual 97 agreements, or other legal constraints. Property, plant, and 98 equipment, the disposal of which would impair the ability of a local governmental entity, charter school, charter technical 99 100 career center, hope operator, or district school board to carry

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101 out its functions, are not considered resources available to 102 cover reported deficits.

103 (6) The officer's written statement of explanation or 104 rebuttal concerning the auditor's findings, including corrective 105 action to be taken, must be filed with the governing body of the 106 local governmental entity, district school board, charter 107 school, <u>hope operator</u>, or charter technical career center within 108 30 days after the delivery of the auditor's findings.

109 (8) The Auditor General shall notify the Legislative 110 Auditing Committee of any audit report prepared pursuant to this 111 section which indicates that an audited entity has failed to 112 take full corrective action in response to a recommendation that 113 was included in the two preceding financial audit reports.

114 (b) If the committee determines that the written statement 115 is not sufficient, it may require the chair of the governing body of the local governmental entity or the chair's designee, 116 117 the elected official of each county agency or the elected official's designee, the chair of the district school board or 118 119 the chair's designee, the chair of the board of the charter school or the chair's designee, the chair of the hope operator 120 121 or the chair's designee, or the chair of the board of the charter technical career center or the chair's designee, as 122 123 appropriate, to appear before the committee.

(10) Each charter school, hope operator, and charter
 technical career center must file a copy of its audit report

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126 with the sponsoring entity; the local district school board, if 127 not the sponsoring entity; the Auditor General; and with the 128 Department of Education.

Section 2. Paragraph (c) of subsection (1), paragraphs (a), (g), and (h) of subsection (6), paragraph (d) of subsection (7), and paragraph (b) of subsection (10) of section 1002.333, Florida Statutes, are amended to read:

133 1002.333 Persistently low-performing schools.-

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(1) DEFINITIONS.-As used in this section, the term:

(c) "Persistently low-performing school" means a school that has earned three grades lower than a "C," pursuant to s. 137 1008.34, in at least 3 of the previous 5 years <u>in which the</u> <u>school received a grade</u> and has not earned a grade of "B" or higher in the most recent 2 school years, and a school that was closed pursuant to s. 1008.33(4) within 2 years after the submission of a notice of intent.

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(6) STATUTORY AUTHORITY.-

(a) A school of hope may be designated as a local
education agency, if requested, for the purposes of receiving
federal funds and, in doing so, accepts the full responsibility
for all local education agency requirements and the schools for
which it will perform local education agency responsibilities.

1481. A school of hope that has been designated as a local149education agency may report its students to the department in150accordance with the definitions in s. 1011.61 and pursuant to

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151 the department's procedures and timelines.

152 <u>2.</u> Students enrolled in a school established by a hope 153 operator designated as a local educational agency are not 154 eligible students for purposes of calculating the district grade 155 pursuant to s. 1008.34(5).

156 A Each school of hope that has not been designated as (q) 157 a local education agency shall report its students to the school district as required in s. 1011.62, and in accordance with the 158 definitions in s. 1011.61. The school district shall include 159 each charter school's enrollment in the district's report of 160 161 student enrollment. All charter schools submitting student 162 record information required by the department shall comply with the department's guidelines for electronic data formats for such 163 164 data, and all districts shall accept electronic data that 165 complies with the department's electronic format.

166 A school of hope operator shall provide the school (h) 167 district with a concise, uniform, quarterly financial statement 168 summary sheet that contains a balance sheet and a statement of 169 revenue, expenditures, and changes in fund balance. The balance 170 sheet and the statement of revenue, expenditures, and changes in 171 fund balance shall be in the governmental fund format prescribed 172 by the Governmental Accounting Standards Board. Additionally, a school of hope operator shall comply with the annual audit 173 174 requirement for charter schools in s. 218.39.

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(7) FACILITIES.-

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176 No later than January October 1, the department each (d) 177 school district shall annually provide to the school districts 178 Department of Education a list of all underused, vacant, or 179 surplus facilities owned or operated by the school district as 180 reported in the Florida Inventory of School Houses. A school 181 district may provide evidence to the department within 30 days 182 that the list contains errors or omissions. No later than April 183 1, annually, the department shall update and publish a final list of all underused, vacant, or surplus facilities owned or 184 185 operated by each school district, based upon the updated 186 information provided by each school district. A hope operator 187 establishing a school of hope may use an educational facility 188 identified in this paragraph at no cost or at a mutually 189 agreeable cost not to exceed \$600 per student. A hope operator 190 using a facility pursuant to this paragraph may not sell or 191 dispose of such facility without the written permission of the 192 school district. For purposes of this paragraph, the term "underused, vacant, or surplus facility" means an entire 193 194 facility or portion thereof which is not fully used or is used 195 irregularly or intermittently by the school district for 196 instructional or program use.

(10) SCHOOLS OF HOPE PROGRAM.—The Schools of Hope Programis created within the Department of Education.

(b) Notwithstanding s. 216.301 and pursuant to s. 216.351,funds allocated for the purpose of this subsection which are not

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201 disbursed by June 30 of the fiscal year in which the funds are 202 allocated may be carried forward for up to 7 $\frac{5}{5}$ years after the 203 effective date of the original appropriation. 204 Section 3. Paragraphs (c) and (d) of subsection (2) of 205 section 1012.32, Florida Statutes, are redesignated as 206 paragraphs (d) and (e), respectively, and a new paragraph (c) is 207 added to that subsection, to read: 208 1012.32 Qualifications of personnel.-209 (2) 210 (c) Instructional and noninstructional personnel who are 211 hired or contracted to fill positions in any school of hope 212 charter school under s. 1002.333, must, upon employment, 213 engagement of services, or appointment, undergo background 214 screening pursuant to s. 1012.465 or s. 1012.56, whichever is 215 applicable. Such screening may be completed by filing with the 216 charter school a complete set of fingerprints taken by an 217 authorized law enforcement agency, an employee of the school or 218 school district who is trained to take fingerprints, or by any 219 other entity authorized by s. 943.053(13). 220 221 Fingerprints shall be submitted to the Department of Law 222 Enforcement for statewide criminal and juvenile records checks and to the Federal Bureau of Investigation for federal criminal 223 224 records checks. A person subject to this subsection who is found 225 ineligible for employment under s. 1012.315, or otherwise found

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226 through background screening to have been convicted of any crime 227 involving moral turpitude as defined by rule of the State Board 228 of Education, shall not be employed, engaged to provide 229 services, or serve in any position that requires direct contact 230 with students. Probationary persons subject to this subsection 231 terminated because of their criminal record have the right to 232 appeal such decisions. The cost of the background screening may 233 be borne by the district school board, the charter school, the 234 employee, the contractor, or a person subject to this subsection. A district school board shall reimburse a charter 235 236 school the cost of background screening if it does not notify 237 the charter school of the eligibility of a governing board 238 member or instructional or noninstructional personnel within the 239 earlier of 14 days after receipt of the background screening 240 results from the Florida Department of Law Enforcement or 30 days of submission of fingerprints by the governing board member 241 242 or instructional or noninstructional personnel. 243 Section 4. Paragraph (a) of subsection (1) of section 244 1013.62, Florida Statutes, is amended to read:

1013.62 Charter schools capital outlay funding.-

(1) For the 2020-2021 fiscal year, charter school capital
outlay funding shall consist of state funds appropriated in the
2020-2021 General Appropriations Act. Beginning in fiscal year
2021-2022, charter school capital outlay funding shall consist
of state funds when such funds are appropriated in the General

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251 Appropriations Act and revenue resulting from the discretionary 252 millage authorized in s. 1011.71(2) if the amount of state funds 253 appropriated for charter school capital outlay in any fiscal 254 year is less than the average charter school capital outlay 255 funds per unweighted full-time equivalent student for the 2018-256 2019 fiscal year, multiplied by the estimated number of charter 257 school students for the applicable fiscal year, and adjusted by 258 changes in the Consumer Price Index issued by the United States Department of Labor from the previous fiscal year. Nothing in 259 this subsection prohibits a school district from distributing to 260 261 charter schools funds resulting from the discretionary millage 262 authorized in s. 1011.71(2).

263 (a) To be eligible to receive capital outlay funds, a264 charter school must:

1.a. Have been in operation for 2 or more years;

b. Be governed by a governing board established in the state for 2 or more years which operates both charter schools and conversion charter schools within the state;

269 c. Be an expanded feeder chain of a charter school within 270 the same school district that is currently receiving charter 271 school capital outlay funds;

d. Have been accredited by a regional accrediting
association as defined by State Board of Education rule; or
e. <u>Be operated as a school of hope by an operator as</u>
defined in s. 1002.333; or

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276 <u>f.</u> Serve students in facilities that are provided by a 277 business partner for a charter school-in-the-workplace pursuant 278 to s. 1002.33(15)(b).

279 2. Have an annual audit that does not reveal any of the 280 financial emergency conditions provided in s. 218.503(1) for the 281 most recent fiscal year for which such audit results are 282 available.

3. Have satisfactory student achievement based on stateaccountability standards applicable to the charter school.

4. Have received final approval from its sponsor pursuantto s. 1002.33 for operation during that fiscal year.

287 5. Serve students in facilities that are not provided by288 the charter school's sponsor.

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Section 5. This act shall take effect July 1, 2021.

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