

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 Committee on Education Pre-K -12

BILL: SB 1702

INTRODUCER: Senator Burgess

SUBJECT: Education

DATE: March 24, 2025

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Sabitsch</u>	<u>Bouck</u>	<u>ED</u>	<u>Pre-meeting</u>
2.	_____	_____	<u>AED</u>	_____
3.	_____	_____	<u>RC</u>	_____

I. Summary:

SB 1702 modifies the requirements for monitoring of charters schools to require the sponsor to use the standard monitoring tool.

The bill defines “sponsoring entity” in relation to persistently low-performing schools and replaces school districts as the sole sponsor of a school of hope by authorizing all sponsoring entities.

The bill takes effect on July 1, 2025.

II. Present Situation:

Florida’s Charter Schools

Charter schools are tuition-free public schools created through an agreement or “charter” that provides flexibility relative to regulations created for traditional public schools. During the 2022-2023 school year, 382,367 students were enrolled in 726 charter schools in 46 school districts.¹

Charter schools are open to all students residing within the district; however, charter schools are allowed to target students within specific age groups or grade levels, students considered at-risk of dropping out or failing, students wishing to enroll in a charter school-in-the-workplace or charter school-in-a-municipality, students residing within a reasonable distance of the school, students who meet reasonable academic, artistic or other eligibility standards established by the charter school, or students articulating from one charter school to another.²

¹ Florida Department of Education, Office of Independent Education & Parental Choice, *Fact Sheet Florida’s Charter Schools* (October 2023), available at <https://www.fldoe.org/core/fileparse.php/7696/urlt/Charter-Sept-2022.pdf>.

² Florida Department of Education, *Frequently Asked Questions (Charter Schools)*, <https://www.fldoe.org/schools/school-choice/charter-schools/charter-school-faqs.stml> (last visited Mar. 3, 2025). See also s. 1002.33(10), F.S.

Charter schools are created when an individual, a group of parents or teachers, a business, a municipality, or a legal entity applies to the school district; the school district approves the application; the applicants form a governing board that negotiates a contract with the district school board; and the applicants and district school board agree upon a charter or contract. The district school board then becomes the sponsor of the charter school. The negotiated contract outlines the expectations of both parties regarding the school's academic and financial performance.³

A charter school must be organized as, or be operated by, a nonprofit organization. The charter school may serve at-risk students, or offer a specialized curriculum or core academic program, provide early intervention programs, or serve exceptional education students.⁴

All charter applicants must prepare and submit an application on a model application form prepared by the Department of Education (DOE), which:⁵

- Demonstrates how the school will use the guiding principles.
- Provides a detailed curriculum.
- Contains goals and objectives for improving student learning.
- Describes the separate reading curricula and differentiated strategies.
- Contains an annual financial plan.

A school board is required to review all charter school applications and, within 90 days of receipt, approve or deny the application.⁶

A charter school may be sponsored but any of the following:

- A district school board.
- A state university approved to sponsor certain lab schools.
- A state university approved by the DOE.
- A Florida College System institution approved by the DOE.

Florida law outlines the duties of charter school sponsors. The sponsor is required to monitor and review the charter school to ensure progress toward the goals established in the charter and to monitor revenues and expenditures of the charter school. The sponsor is also required to ensure that the charter school participates in the state's educational accountability system but is prohibited from applying its policies to a charter school or imposing additional reporting requirements except when the charter school is experiencing a deteriorating financial condition or emergency.⁷ The sponsor is required to submit to the DOE via a web-based format an annual report that includes the following:⁸

- The number of applications for charter school received annually.
- The applicant's contact information.

³ Florida Department of Education, *Frequently Asked Questions (Charter Schools)*, <https://www.fldoe.org/schools/school-choice/charter-schools/charter-school-faqs.shtml> (last visited Mar. 3, 2025). See also s. 1002.33(6), F.S.

⁴ *Id.*

⁵ *Id.*

⁶ *Id.*

⁷ Section 1002.33(5), F.S.

⁸ *Id.*

- The date each application was approved, denied or withdrawn.
- The date each final contract was executed.

The DOE is required to compile an annual report by sponsor each year and post the report on the DOE website by January 15 of each year.

Florida law also provides for accountability of charter school sponsors that requires the DOE to develop a sponsor evaluation framework. At a minimum the framework is required to address the following:⁹

- The sponsor's vision toward charter school authorization and progress toward vision.
- The alignment of sponsor policies and practices for charter school authorization and best practices.
- The academic and financial performance of charter schools overseen by the sponsor.
- The status of charters school authorized by the sponsor.

The DOE is required to compile the results of the evaluations and publish as part of the required reporting of monitoring of charter schools.¹⁰

Schools of Hope

Schools of hope are charter schools operated by a hope operator which serves students from one or more persistently low-performing schools. These schools are located in the attendance zone or within a 5-mile radius of a persistently low-performing school, whichever is greater. Schools of hope are Title I eligible schools.¹¹

A hope operator is a nonprofit organization with tax exempt status under s. 501(c)(3) of the Internal Revenue Code that operates three or more charter schools that serve students in grades K-12 in Florida or other states with a record of serving students from low-income families, and is designated by the State Board of Education (SBE) as a hope operator based on a determination that the past performance of the hope operator meets or exceeds the following criteria:¹²

- The achievement of enrolled students exceeds the district and state averages of the states in which the operator's schools operate.
- The average college attendance rate of previously enrolled students at all schools currently operated by the operator exceeds 80 percent, if data is available.
- The percentage of students eligible for a free or reduced price lunch under the National School Lunch Act enrolled at all schools currently operated by the operator exceeds 70 percent.
- The operator is in good standing with the authorizer in each state in which it operates.
- The audited financial statements of the operator are free of material misstatements and going concern issues.
- Additional outcome measures as determined by the SBE.

⁹ Section 1002.33(5)(c), F.S.

¹⁰ *Id.*

¹¹ Florida Department of Education, *Schools of Hope*, <https://www.fldoe.org/schools/school-choice/other-school-choice-options/schools-of-hope/> (last visited Mar. 18, 2025).

¹² *Id.*

Additionally, the hope operator is required to have been awarded a United States Department of Education Charter School Program Grant for Replication and Expansion of High-Quality Charter Schools within the preceding 3 years before applying to be a hope operator. The hope operator must either be receiving funding through the National Fund of the Charter School Growth Fund to accelerate the growth of the nation's best charter schools or has been selected by a district school board in accordance with Florida law.¹³

The five Florida designated hope operators are: Mater Academy, Redlands Christian Migrant Association (RCMA), Democracy Prep Public Schools, Inc., IDEA Public Schools, Success Academy, and KIPP New Jersey.¹⁴

A hope operator must enter into a performance-based agreement with a school district in order to serve students from persistently low-performing schools or students residing in a Florida Opportunity Zone.¹⁵ The performance-based agreement is required to include the following:

- The notice of intent, which is incorporated by reference and attached to the agreement.
- The location or geographic area proposed for the school of hope and its proximity to the persistently low-performing school.
- The grades to be served in each year of the agreement and whether the school will serve children in the school readiness or prekindergarten programs.
- A plan of action and specific milestones for student recruitment and the enrollment of students from persistently low-performing schools and students residing in a Florida Opportunity Zone.
- Outline the current incoming baseline standard of student academic achievement, the outcomes to be achieved, and the method of measurement that will be used.
- A description of the methods of involving parents.
- The grounds for termination.
- A provision allowing the hope operator to open additional schools.
- A provision establishing the initial term as 5 years.
- A requirement to provide transportation.
- A requirement that any debt incurred by the School of Hope from a source other than the state or a school district does not incur a liability for the state or school district.
- A provision that any loans, bonds, or other financial agreements are not obligations of the state or the school district.
- A prohibition on the pledge of credit or taxing power of the state or the school district.¹⁶

A school of hope is required to provide the school district with a concise, uniform, quarterly financial statement summary that contains a balance sheet and a statement of revenue, expenditures, and changes in fund balance. The balance sheet and the statement of revenue, expenditures, and changes in fund balance are required to be in the format prescribed by the

¹³ Section 1002.333, F.S.

¹⁴ Florida Department of Education, *Schools of Hope*, <https://www.fldoe.org/schools/school-choice/other-school-choice-options/schools-of-hope/> (last visited Mar. 18, 2025).

¹⁵ Section 1002.333(1), F.S. "Florida Opportunity Zone" means a population census tract that is a low-income community and that has been designated by the United States Department of the Treasury as a Qualified Opportunity Zone pursuant to s. 1400Z-1(b)(1)(B) of the Internal Revenue Code. Section 1002.333(1)(a), F.S.

¹⁶ Section 1002.33(5), F.S.

Governmental Accounting Standards Board. Additionally, a school of hope is required to comply with the annual audit requirement for charter schools.¹⁷

III. Effect of Proposed Changes:

SB1702 modifies s. 1002.33, F.S., to require that a sponsor of a charter school is required to use a standard monitoring tool when providing oversight of charter schools as required in s. 1002.33, F.S. The State Board of Education is required to adopt in rule a standard monitoring tool for use by charter school sponsors, however that rule has yet to be developed.¹⁸

The bill modifies s. 1002.333, F.S. to provide a definition of “sponsoring entity” to be used regarding requirements for establishing Schools of Hope. The definition will allow any of the following entities to sponsor a school of hope through an agreement with a hope operator:

- A district school board.
- A state university to sponsor certain lab schools.
- A state university approved by the Department of Education (DOE).
- A Florida College System institution approved by the DOE.

The change moves away from the district school board as the only entity that can sponsor a school of hope and modifies other requirements relating to performance-based agreements and reporting to expand from district school boards to “sponsoring entities.”

The bill takes effect on July 1, 2025.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

None.

¹⁷ Section 1002.33(6)(h), F.S.

¹⁸ Section 1002.33(28), F.S.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 1002.33 and 1002.333.

IX. Additional Information:

A. Committee Substitute – Statement of Changes:

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

None.

B. Amendments:

None.