

**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.)

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

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BILL: CS/SB 1708

INTRODUCER: Education Pre-K - 12 Committee; and Senator Calatayud and others

SUBJECT: Education

DATE: April 15, 2025

REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Sabitsch</u>	<u>Bouck</u>	<u>ED</u>	<b>Fav/CS</b>
2.	<u>Gray</u>	<u>Elwell</u>	<u>AED</u>	<b>Favorable</b>
3.	<u>                    </u>	<u>                    </u>	<u>RC</u>	<u>                    </u>

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**Please see Section IX. for Additional Information:**

COMMITTEE SUBSTITUTE - Substantial Changes

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**I. Summary:**

CS/SB 1708 modifies provisions related to persistently low performing school and Schools of Hope. Specifically, the bill:

- Adds another category of “persistently low-performing schools.”
- Specifies that an operator of one or more Schools of Hope designated as a local education agency may directly report students to the Department of Education (DOE).
- Allows the operator of a School of Hope to submit a notice of intent to a school district to use underused, vacant or surplus facilities and requires the school district to negotiate an agreement for the use of those facilities.
- Allows a School of Hope to co-locate with another public school under certain circumstances and provides provisions regarding maintenance of the facilities and non-instructional services.
- Authorizes the State Board of Education to resolve disputes arising from a mutual management agreement.

This bill could have both positive and negative fiscal impacts on the school districts that are required to meet the provisions of this bill. **See Section V., Fiscal Impact Statement.**

The bill takes effect on July 1, 2025.

## II. Present Situation:

### Persistently Low-Performing Schools

Florida law defines a persistently low-performing school as a school that has earned three grades lower than a “C” in at least three of the previous five years that the school has received a school grade and has not earned a grade of “B” or higher the most recent two school years, or a school that was closed within two years after a submission of a notice of intent to implement a district managed turnaround plan.<sup>1</sup> Based on 2023-2024 data, there are 51 Florida public schools identified as persistently low-performing schools. All 51 schools are Title I schools, 50 schools served 100 percent economically disadvantaged students and 46 of the 51 schools were comprised of more than 75 percent minority students.<sup>2</sup>

### 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.<sup>3</sup>

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.

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 or other charter school sponsor; the sponsor district approves the application; the applicants form a governing board that negotiates a contract with the sponsor; and the applicants and sponsor agree upon a charter or contract. The negotiated contract outlines the expectations of both parties regarding the school's academic and financial performance.

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.<sup>4</sup>

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

- Demonstrates how the school will use the guiding principles.

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<sup>1</sup> Section 1002.333(1), F.S.

<sup>2</sup> Florida Department of Education, *2023-2024 Persistently Low-Performing Schools*, <https://www.fldoe.org/core/fileparse.php/18534/urlt/PLP24.xlsx> (last visited Apr. 04, 2025)..

<sup>3</sup> 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>.

<sup>4</sup> 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. 26, 2025). See also s. 1002.33, F.S.

- 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 or other sponsor is required to review all charter school applications and, within 90 days of receipt, approve or deny the application. A charter school may be sponsored by 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.<sup>5</sup>

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. The sponsor is required to submit to the DOE via a web-based format an annual report that includes the following:

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

- The sponsor's vision toward charter school authorization and progress toward that 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 schools authorized by the sponsor.

The DOE is required to compile the results of the evaluations and publish the results as part of the required reporting of monitoring of charter schools.<sup>6</sup>

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<sup>5</sup> Florida Department of Education, *Frequently Asked Questions (Charter Schools)*, <https://www.fldoe.org/schools/school-choice/charter-schools/charter-school-faqs.shtml> (last visited Apr. 8, 2025). See also s. 1002.33, F.S.

<sup>6</sup> Section 1002.33(5), F.S.

### *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 five-mile radius of a persistently low-performing school, whichever is greater. Schools of Hope are Title I eligible schools.<sup>7</sup> There are currently 12 Schools of Hope operating in Florida.<sup>8</sup>

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:

- 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.<sup>9</sup>

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 three 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.<sup>10</sup>

The seven Florida designated Hope operators are: Mater Academy, Redlands Christian Migrant Association (RCMA), Democracy Prep Public Schools, Inc., IDEA Public Schools, Success Academy, Renaissance/Warrington Preparatory Academy and KIPP New Jersey.<sup>11</sup>

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<sup>7</sup> Florida Department of Education, *Schools of Hope*, <https://www.fldoe.org/schools/school-choice/other-school-choice-options/schools-of-hope/> (last visited Apr. 8, 2025).

<sup>8</sup> Email, Florida Department of Education, Legislative Affairs (Mar. 6, 2025).

<sup>9</sup> Section 1002.333(2), F.S.

<sup>10</sup> Section 1002.333, F.S.

<sup>11</sup> Florida Department of Education, *Schools of Hope*, <https://www.fldoe.org/schools/school-choice/other-school-choice-options/schools-of-hope/> (last visited Apr. 8, 2025).

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.<sup>12</sup> 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 five 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.<sup>13</sup>

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 Governmental Accounting Standards Board. Additionally, a School of Hope is required to comply with the annual audit requirement for charter schools.<sup>14</sup>

### Facilities

School districts must periodically update their inventory of educational facilities into the Florida Inventory of School Houses as new capacity becomes available and as unsatisfactory space is eliminated.<sup>15</sup> By each April 1, the DOE must update and publish a final list of all underused, vacant, or surplus facilities owned or operated by each school district. A Hope operator establishing a School of Hope may use an educational facility identified in this list at no cost or at a mutually agreeable cost not to exceed \$600 per student.<sup>16</sup>

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<sup>12</sup> 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.

<sup>13</sup> Section 1002.33(5), F.S.

<sup>14</sup> Section 1002.33(6), F.S.

<sup>15</sup> Section 1013.31(1), F.S.

<sup>16</sup> Section 1002.333(7), F.S.

### **State Board of Education Authority**

In addition to obligations relating to the identification of persistently low-performing schools and development of standard notice of intent and performance-based agreements, the State Board of Education must resolve disputes between a Hope operator and a school district arising from a performance-based agreement or a contract between a charter operator and a school district under its authority to enforce public school improvement.<sup>17</sup>

### **III. Effect of Proposed Changes:**

This bill modifies s. 1002.333, F.S., to provide an additional category of a persistently low-performing school by designating as persistently low-performing those schools that are in the bottom 10 percent of schools statewide for performance on the grade three statewide standardized English Language Arts assessment or the grade four statewide standardized mathematics assessment in at least two of the previous three years. The modification will greatly increase the number of schools being designated as persistently low-performing schools compared to the current 51 schools.

The bill clarifies that a nonprofit entity designated as a local education agency may directly report its students to the Department of Education (DOE).

The bill modifies provisions for Schools of Hope to allow a School of Hope operator to submit to a school district a notice of intent to utilize all or a portion of underused, vacant or surplus facilities owned or operated by the school district. The bill requires that the school district negotiate an agreement for the noticed use.

Additionally, the bill provides a provision allowing for a School of Hope to co-locate with another public school that has a utilization rate below 50 percent or a surplus of 500 student stations as long as the total combined enrollment does not exceed the capacity of the facility. The provision requires that the enrolled students in the School of Hope be included in the school district's total for capital outlay full-time equivalent membership and for calculating the Public Education Capital Outlay maintenance funds for the facility. The bill prohibits the school district from charging the School of Hope a rental or leasing fee but allows for a charge for use, operation, and maintenance as agreed upon but not to exceed \$600 per student. The terms are to be spelled out in a mutual management agreement. The bill provides specific requirements for the agreement and requires that the School of Hope receive non-instructional services from the school district on a pro rata basis. The provision will only apply to schools seeking to co-locate in Miami-Dade County Public schools.

The bill requires that the State Board of Education resolve disputes between the school district and the School of Hope operator that arise from the mutual management agreement.

The bill takes effect on July 1, 2025.

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<sup>17</sup> Section 1002.333(11), F.S.

**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.

**V. Fiscal Impact Statement:****A. Tax/Fee Issues:**

None.

**B. Private Sector Impact:**

None.

**C. Government Sector Impact:**

This bill could have both positive and negative fiscal impacts on the districts that are required to meet the provisions of this bill. A positive fiscal impact may be provided for districts that co-locate with a school of hope as the district should include those students in their total capital outlay full-time equivalent membership for calculating the Public Education Capital Outlay maintenance funds. There could be a negative fiscal impact for those districts that co-locate as a rental or leasing fee may not be charged but allows for a charge for use, operation, and maintenance as agreed upon but not to exceed \$600 per student.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Statutes Affected:**

This bill substantially amends section 1002.333 of the Florida Statutes.

**IX. Additional Information:****A. Committee Substitute – Statement of Substantial Changes:**

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

**CS by Education Pre-K - 12 on March 31, 2025:**

The committee substitute removes the provisions related to Schools of Hope of distinction and removes associated provisions related to the use of educational facilities by such schools. The bill focuses on persistently low-performing schools and provisions related to Schools of Hope. Specifically, the committee substitute:

- Allows a School of Hope to submit a notice of intent to use specific underutilized facilities and requires the school district to negotiate with the school to utilize the specific facility.
- Allows a School of Hope to co-locate with a public school under certain circumstances and makes a provision for calculating the Public Education Capital Outlay maintenance funds for the facility.
- Prohibits the school district from charging the School of Hope that is co-locating a rental or leasing fee however allows for costs associated with use and maintenance but limits those costs.
- Requires the School of Hope and the school district to enter into a mutual management agreement and provides how any disputes will be resolved.
- Removes from the bill the provision requiring Department of Education audits of school district educational plant surveys.

**B. Amendments:**

None.