

1 A bill to be entitled
2 An act relating to education; amending s. 11.45, F.S.,
3 relating to audit reports and rules by the Auditor
4 General; conforming provisions related to changes in the
5 entities subject to a state of financial emergency;
6 amending s. 121.091, F.S.; increasing the period of time
7 during which certain charter school instructional
8 personnel may participate in the Florida Retirement System
9 Deferred Retirement Option Program; extending such
10 participation to certain school district prekindergarten
11 instructional personnel; deleting an obsolete provision;
12 amending ss. 218.50 and 218.501, F.S.; conforming
13 provisions related to changes in the entities subject to a
14 state of financial emergency; amending ss. 218.503 and
15 218.504, F.S.; providing that charter technical career
16 centers are subject to certain requirements in the event
17 of a financial emergency; requiring that the sponsor be
18 notified of certain conditions; providing that the
19 Commissioner of Education may require a financial recovery
20 plan if certain conditions exist for a charter technical
21 career center or charter school; amending s. 1002.33,
22 F.S.; providing for duties of charter school sponsors and
23 governing boards when charter schools and charter
24 technical career centers experience a material financial
25 weakness or a financial emergency; specifying forms to be
26 used by charter school applicants and sponsors; revising
27 provisions relating to appeal of a charter school
28 application denial; deleting the auditing requirements and

29 financial emergency provisions for charter schools;
30 requiring charter schools to disclose the identity of
31 relatives of charter school personnel; revising provisions
32 relating to charter school renewal terms; requiring
33 charter schools to provide quarterly financial statements;
34 revising provisions relating to a charter school's annual
35 report; revising provisions relating to student
36 eligibility to attend a charter school; providing
37 requirements for distribution of funds to charter schools;
38 providing priority to charter schools for the lease or
39 purchase of public school property and facilities;
40 requiring a sponsor to provide additional services
41 relating to school lunches under the federal lunch
42 program; providing for the disclosure of the performance
43 of charter schools that are not given a school grade or
44 school improvement rating; providing reporting
45 requirements; providing restrictions for the employment of
46 relatives by charter school personnel; providing that
47 members of a charter school governing board are subject to
48 certain standards of conduct and financial disclosure;
49 amending s. 1002.335, F.S., relating to the Florida
50 Schools of Excellence Commission; revising provisions
51 relating to exclusive authority to authorize charter
52 schools; eliminating the requirement for district school
53 boards to annually seek continued exclusivity from the
54 State Board of Education; providing that a grant or denial
55 of exclusivity shall be effective for 4 fiscal years;
56 specifying additional components of cosponsor agreements;

57 providing for application of performance disclosure
58 requirements for charter schools that are not graded or
59 rated; providing for application of restrictions on the
60 employment of relatives and certain standards of conduct
61 and financial disclosure; amending s. 1002.34, F.S.;
62 providing additional duties for charter technical career
63 centers, applicants, sponsors, and governing boards;
64 requiring the Department of Education to offer or arrange
65 training and assistance to applicants for a charter
66 technical career center; providing for application of
67 restrictions on the employment of relatives and financial
68 disclosure; creating s. 1002.345, F.S.; establishing
69 criteria and requirements for charter schools and charter
70 technical career centers that have material financial
71 weaknesses or are in a state of financial emergency;
72 establishing requirements for charter schools, charter
73 technical career centers, governing boards, and sponsors;
74 requiring financial audits of charter schools and charter
75 technical career centers; providing for corrective action
76 and financial recovery plans; providing for duties of
77 auditors, the Commissioner of Education, and the
78 Department of Education; requiring the State Board of
79 Education to adopt rules; providing grounds for
80 termination or nonrenewal of a charter; amending s.
81 1011.71, F.S., relating to district school tax; providing
82 that use of capital improvement millage for district
83 schools must include charter schools; specifying amount to
84 be allocated to charter schools; amending s. 1013.62,

85 F.S.; authorizing additional uses for charter school
 86 capital outlay funds; amending s. 1013.735, F.S.;
 87 providing charter schools with a specified portion of the
 88 appropriation for the Classrooms for Kids Program;
 89 providing an effective date.

90

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

92

93 Section 1. Paragraph (e) of subsection (7) and subsection
 94 (8) of section 11.45, Florida Statutes, are amended to read:

95 11.45 Definitions; duties; authorities; reports; rules.--

96 (7) AUDITOR GENERAL REPORTING REQUIREMENTS.--

97 (e) The Auditor General shall notify the Governor or the
 98 Commissioner of Education, as appropriate, and the Legislative
 99 Auditing Committee of any audit report reviewed by the Auditor
 100 General pursuant to paragraph (b) which contains a statement
 101 that a local governmental entity, charter school, charter
 102 technical career center, or district school board has met one or
 103 more of the conditions specified in s. 218.503. If the Auditor
 104 General requests a clarification regarding information included
 105 in an audit report to determine whether a local governmental
 106 entity, charter school, charter technical career center, or
 107 district school board has met one or more of the conditions
 108 specified in s. 218.503, the requested clarification must be
 109 provided within 45 days after the date of the request. If the
 110 local governmental entity, charter school, charter technical
 111 career center, or district school board does not comply with the
 112 Auditor General's request, the Auditor General shall notify the

113 Legislative Auditing Committee. If, after obtaining the
 114 requested clarification, the Auditor General determines that the
 115 local governmental entity, charter school, charter technical
 116 career center, or district school board has met one or more of
 117 the conditions specified in s. 218.503, he or she shall notify
 118 the Governor or the Commissioner of Education, as appropriate,
 119 and the Legislative Auditing Committee.

120 (8) RULES OF THE AUDITOR GENERAL.--The Auditor General, in
 121 consultation with the Board of Accountancy, shall adopt rules
 122 for the form and conduct of all financial audits performed by
 123 independent certified public accountants pursuant to ss.
 124 215.981, 218.39, 1001.453, 1004.28, and 1004.70. The rules for
 125 audits of local governmental entities, charter schools, charter
 126 technical career centers, and district school boards must
 127 include, but are not limited to, requirements for the reporting
 128 of information necessary to carry out the purposes of the Local
 129 Governmental Entity, Charter School, Charter Technical Career
 130 Center, and District School Board Financial Emergencies Act as
 131 stated in s. 218.501.

132 Section 2. Paragraphs (a) and (b) of subsection (13) of
 133 section 121.091, Florida Statutes, are amended to read:

134 121.091 Benefits payable under the system.--Benefits may
 135 not be paid under this section unless the member has terminated
 136 employment as provided in s. 121.021(39) (a) or begun
 137 participation in the Deferred Retirement Option Program as
 138 provided in subsection (13), and a proper application has been
 139 filed in the manner prescribed by the department. The department
 140 may cancel an application for retirement benefits when the

141 member or beneficiary fails to timely provide the information
 142 and documents required by this chapter and the department's
 143 rules. The department shall adopt rules establishing procedures
 144 for application for retirement benefits and for the cancellation
 145 of such application when the required information or documents
 146 are not received.

147 (13) DEFERRED RETIREMENT OPTION PROGRAM.--In general, and
 148 subject to the provisions of this section, the Deferred
 149 Retirement Option Program, hereinafter referred to as the DROP,
 150 is a program under which an eligible member of the Florida
 151 Retirement System may elect to participate, deferring receipt of
 152 retirement benefits while continuing employment with his or her
 153 Florida Retirement System employer. The deferred monthly
 154 benefits shall accrue in the System Trust Fund on behalf of the
 155 participant, plus interest compounded monthly, for the specified
 156 period of the DROP participation, as provided in paragraph (c).
 157 Upon termination of employment, the participant shall receive
 158 the total DROP benefits and begin to receive the previously
 159 determined normal retirement benefits. Participation in the DROP
 160 does not guarantee employment for the specified period of DROP.
 161 Participation in the DROP by an eligible member beyond the
 162 initial 60-month period as authorized in this subsection shall
 163 be on an annual contractual basis for all participants.

164 (a) Eligibility of member to participate in the DROP.--All
 165 active Florida Retirement System members in a regularly
 166 established position, and all active members of ~~either~~ the
 167 Teachers' Retirement System established in chapter 238 or the
 168 State and County Officers' and Employees' Retirement System

169 established in chapter 122, which ~~systems~~ are consolidated
 170 within the Florida Retirement System under s. 121.011, are
 171 eligible to elect participation in the DROP if provided that:

172 1. The member is not a renewed member of the Florida
 173 Retirement System under s. 121.122, or a member of the State
 174 Community College System Optional Retirement Program under s.
 175 121.051, the Senior Management Service Optional Annuity Program
 176 under s. 121.055, or the optional retirement program for the
 177 State University System under s. 121.35.

178 2. Except as provided in subparagraph 6., election to
 179 participate is made within 12 months immediately following the
 180 date on which the member first reaches normal retirement date,
 181 or, for a member who reaches normal retirement date ~~based on~~
 182 ~~service~~ before he or she reaches age 62, or age 55 for Special
 183 Risk Class members, election to participate may be deferred to
 184 the 12 months immediately following the date the member attains
 185 57, or age 52 for Special Risk Class members. ~~For a member who~~
 186 ~~first reached normal retirement date or the deferred eligibility~~
 187 ~~date described above prior to the effective date of this~~
 188 ~~section, election to participate shall be made within 12 months~~
 189 ~~after the effective date of this section.~~ A member who fails to
 190 make an election within the ~~such~~ 12-month limitation period
 191 shall forfeit all rights to participate in the DROP. The member
 192 shall advise his or her employer and the division in writing of
 193 the date on which the DROP shall begin. The ~~Such~~ beginning date
 194 may be subsequent to the 12-month election period, but must be
 195 within the 60-month or, ~~with respect to members who are~~
 196 ~~instructional personnel employed by the Florida School for the~~

197 ~~Deaf and the Blind and who have received authorization by the~~
 198 ~~Board of Trustees of the Florida School for the Deaf and the~~
 199 ~~Blind to participate in the DROP beyond 60 months, or who are~~
 200 ~~instructional personnel as defined in s. 1012.01(2)(a)-(d) in~~
 201 ~~grades K-12 and who have received authorization by the district~~
 202 ~~school superintendent to participate in the DROP beyond 60~~
 203 ~~months, the 96-month maximum participation limitation period as~~
 204 ~~provided in subparagraph (b)1. When establishing eligibility of~~
 205 ~~the member to participate in the DROP for the 60-month or, with~~
 206 ~~respect to members who are instructional personnel employed by~~
 207 ~~the Florida School for the Deaf and the Blind and who have~~
 208 ~~received authorization by the Board of Trustees of the Florida~~
 209 ~~School for the Deaf and the Blind to participate in the DROP~~
 210 ~~beyond 60 months, or who are instructional personnel as defined~~
 211 ~~in s. 1012.01(2)(a)-(d) in grades K-12 and who have received~~
 212 ~~authorization by the district school superintendent to~~
 213 ~~participate in the DROP beyond 60 months, the 96-month maximum~~
 214 ~~participation period, the member may elect to include or exclude~~
 215 ~~any optional service credit purchased by the member from the~~
 216 ~~total service used to establish the normal retirement date. A~~
 217 ~~member with dual normal retirement dates is ~~shall be~~ eligible to~~
 218 ~~elect to participate in DROP within 12 months after attaining~~
 219 ~~normal retirement date in either class.~~

220 3. The employer of a member electing to participate in the
 221 DROP, or employers if dually employed, shall acknowledge in
 222 writing to the division the date the member's participation in
 223 the DROP begins and the date the member's employment and DROP
 224 participation will terminate.

225 4. Simultaneous employment of a participant by additional
 226 Florida Retirement System employers subsequent to the
 227 commencement of participation in the DROP is ~~shall be~~
 228 permissible provided such employers acknowledge in writing a
 229 DROP termination date no later than the participant's existing
 230 termination date or the 60-month participation ~~limitation~~ period
 231 as provided in subparagraph (b)1.

232 5. A DROP participant may change employers while
 233 participating in the DROP, subject to the following:

234 a. A change of employment must take place without a break
 235 in service so that the member receives salary for each month of
 236 continuous DROP participation. If a member receives no salary
 237 during a month, DROP participation shall cease unless the
 238 employer verifies a continuation of the employment relationship
 239 for such participant pursuant to s. 121.021(39)(b).

240 b. Such participant and new employer shall notify the
 241 division of the identity of the new employer on forms required
 242 by the division ~~as to the identity of the new employer~~.

243 c. The new employer shall acknowledge, in writing, the
 244 participant's DROP termination date, which may be extended but
 245 not beyond the original 60-month or, ~~with respect to members who~~
 246 ~~are instructional personnel employed by the Florida School for~~
 247 ~~the Deaf and the Blind and who have received authorization by~~
 248 ~~the Board of Trustees of the Florida School for the Deaf and the~~
 249 ~~Blind to participate in the DROP beyond 60 months, or who are~~
 250 ~~instructional personnel as defined in s. 1012.01(2)(a)-(d) in~~
 251 ~~grades K-12 and who have received authorization by the district~~
 252 ~~school superintendent to participate in the DROP beyond 60~~

253 ~~months, the~~ 96-month maximum participation period provided in
 254 subparagraph (b)1., shall acknowledge liability for any
 255 additional retirement contributions and interest required if the
 256 participant fails to timely terminate employment, and shall be
 257 subject to the adjustment required in sub-subparagraph (c)5.d.

258 6. Effective July 1, 2001, for instructional personnel as
 259 defined in s. 1012.01 ~~s. 1012.01(2)~~, election to participate in
 260 the DROP may ~~shall~~ be made at any time following the date on
 261 which the member first reaches normal retirement date. The
 262 member shall advise his or her employer and the division in
 263 writing of the date on which the DROP ~~Deferred Retirement Option~~
 264 ~~Program~~ shall begin. When establishing eligibility of the member
 265 to participate in the DROP for the 60-month or, ~~with respect to~~
 266 ~~members who are instructional personnel employed by the Florida~~
 267 ~~School for the Deaf and the Blind and who have received~~
 268 ~~authorization by the Board of Trustees of the Florida School for~~
 269 ~~the Deaf and the Blind to participate in the DROP beyond 60~~
 270 ~~months, or who are instructional personnel as defined in s.~~
 271 ~~1012.01(2) (a) - (d) in grades K-12 and who have received~~
 272 ~~authorization by the district school superintendent to~~
 273 ~~participate in the DROP beyond 60 months,~~ the 96-month maximum
 274 participation period, as provided in subparagraph (b)1., the
 275 member may elect to include or exclude any optional service
 276 credit purchased by the member from the total service used to
 277 establish the normal retirement date. A member with dual normal
 278 retirement dates is ~~shall~~ be eligible to elect to participate in
 279 either class.

280 (b) Participation in the DROP.--

281 1. An eligible member may elect to participate in the DROP
 282 for a period not to exceed a maximum of 60 calendar months or,
 283 with respect to members who are instructional personnel employed
 284 by the Florida School for the Deaf and the Blind and who have
 285 received authorization by the Board of Trustees of the Florida
 286 School for the Deaf and the Blind to participate in the DROP
 287 beyond 60 months, ~~or~~ who are instructional personnel as defined
 288 in s. 1012.01(2)(a)-(d) in grades K-12 or classroom teachers for
 289 prekindergarten students funded under s. 1011.62 and who have
 290 received authorization by the district school superintendent to
 291 participate in the DROP beyond 60 calendar months, or who are
 292 instructional personnel as defined in s. 1012.01(2)(a)-(d) in
 293 grades K-12 or classroom teachers for prekindergarten students
 294 funded under s. 1011.62 and who are employed by a charter school
 295 and who have received authorization from the governing board of
 296 the charter school to participate in the DROP beyond 60 calendar
 297 months, 96 calendar months immediately following the date on
 298 which the member first reaches his or her normal retirement date
 299 or the date to which he or she is eligible to defer his or her
 300 election to participate as provided in subparagraph (a)2.
 301 However, a member who has reached normal retirement date prior
 302 to the effective date of the DROP is ~~shall be~~ eligible to
 303 participate in the DROP for up to ~~for a period of time not to~~
 304 ~~exceed~~ 60 calendar months or, ~~with respect to members who are~~
 305 ~~instructional personnel employed by the Florida School for the~~
 306 ~~Deaf and the Blind and who have received authorization by the~~
 307 ~~Board of Trustees of the Florida School for the Deaf and the~~
 308 ~~Blind to participate in the DROP beyond 60 months, or who are~~

309 ~~instructional personnel as defined in s. 1012.01(2)(a)-(d) in~~
 310 ~~grades K-12 and who have received authorization by the district~~
 311 ~~school superintendent to participate in the DROP beyond 60~~
 312 ~~calendar months, 96 calendar months, as appropriate, immediately~~
 313 following the effective date of the DROP, except that a member
 314 of the Special Risk Class who has reached normal retirement date
 315 prior to the effective date of the DROP and whose total accrued
 316 value exceeds 75 percent of average final compensation as of his
 317 or her effective date of retirement may ~~shall be eligible to~~
 318 participate in the DROP for no more than 36 calendar months
 319 immediately following the effective date of the DROP.

320 2. Upon deciding to participate in the DROP, the member
 321 shall submit, on forms required by the division:

- 322 a. A written election to participate in the DROP;
- 323 b. Selection of the DROP participation and termination
 324 dates, which satisfy the limitations stated in paragraph (a) and
 325 subparagraph 1. The ~~Such~~ termination date must ~~shall~~ be in a
 326 binding letter of resignation to ~~with~~ the employer, establishing
 327 a deferred termination date. The member may change the
 328 termination date within the limitations of subparagraph 1., but
 329 only with the written approval of the ~~his or her~~ employer;
- 330 c. A properly completed DROP application for service
 331 retirement as provided in this section; and
- 332 d. Any other information required by the division.

333 3. The DROP participant shall be a retiree under the
 334 Florida Retirement System for all purposes, except for paragraph
 335 (5)(f) and subsection (9) and ss. 112.3173, 112.363, 121.053,
 336 and 121.122. However, participation in the DROP does not alter

337 the participant's employment status and the member is such
 338 ~~employee shall~~ not be deemed retired from employment until his
 339 or her deferred resignation is effective and termination occurs
 340 as provided in s. 121.021(39).

341 4. Elected officers shall be eligible to participate in
 342 the DROP subject to the following:

343 a. An elected officer who reaches normal retirement date
 344 during a term of office may defer the election to participate in
 345 the DROP until the next succeeding term in that office. An such
 346 elected officer who exercises this option may participate in the
 347 DROP for up to 60 calendar months or for a period of no longer
 348 than the such succeeding term of office, whichever is less.

349 b. An elected or a nonelected participant may run for a
 350 term of office while participating in DROP and, if elected,
 351 extend the DROP termination date accordingly, except that,
 352 ~~however,~~ if such additional term of office exceeds the 60-month
 353 limitation established in subparagraph 1., and the officer does
 354 not resign from office within the such 60-month limitation, the
 355 retirement and the participant's DROP shall be null and void as
 356 provided in sub-subparagraph (c)5.d.

357 c. An elected officer who is dually employed and elects to
 358 participate in DROP shall be required to satisfy the definition
 359 of termination within the 60-month or, ~~with respect to members~~
 360 ~~who are instructional personnel employed by the Florida School~~
 361 ~~for the Deaf and the Blind and who have received authorization~~
 362 ~~by the Board of Trustees of the Florida School for the Deaf and~~
 363 ~~the Blind to participate in the DROP beyond 60 months, or who~~
 364 ~~are instructional personnel as defined in s. 1012.01(2)(a)-(d)~~

365 ~~in grades K-12 and who have received authorization by the~~
 366 ~~district school superintendent to participate in the DROP beyond~~
 367 ~~60 months, the 96-month maximum participation limitation period~~
 368 as provided in subparagraph 1. for the nonelected position and
 369 may continue employment as an elected officer as provided in s.
 370 121.053. The elected officer shall ~~will~~ be enrolled as a renewed
 371 member in the Elected Officers' Class or the Regular Class, as
 372 provided in ss. 121.053 and 121.122, on the first day of the
 373 month after termination of employment in the nonelected position
 374 and termination of DROP. Distribution of the DROP benefits shall
 375 be made as provided in paragraph (c).

376 Section 3. Section 218.50, Florida Statutes, is amended to
 377 read:

378 218.50 Short title.--Sections 218.50-218.504 may be cited
 379 as the "Local Governmental Entity, Charter School, Charter
 380 Technical Career Center, and District School Board Financial
 381 Emergencies Act."

382 Section 4. Section 218.501, Florida Statutes, is amended
 383 to read:

384 218.501 Purposes.--The purposes of ss. 218.50-218.504 are:

385 (1) To promote the fiscal responsibility of local
 386 governmental entities, charter schools, charter technical career
 387 centers, and district school boards.

388 (2) To assist local governmental entities, charter
 389 schools, charter technical career centers, and district school
 390 boards in providing essential services without interruption and
 391 in meeting their financial obligations.

392 (3) To assist local governmental entities, charter

393 schools, charter technical career centers, and district school
 394 boards through the improvement of local financial management
 395 procedures.

396 Section 5. Subsections (1), (2), and (4) of section
 397 218.503, Florida Statutes, are amended to read:

398 218.503 Determination of financial emergency.--

399 (1) Local governmental entities, charter schools, charter
 400 technical career centers, and district school boards shall be
 401 subject to review and oversight by the Governor, the charter
 402 school sponsor, the charter technical career center sponsor, or
 403 the Commissioner of Education, as appropriate, when any one of
 404 the following conditions occurs:

405 (a) Failure within the same fiscal year in which due to
 406 pay short-term loans or failure to make bond debt service or
 407 other long-term debt payments when due, as a result of a lack of
 408 funds.

409 (b) Failure to pay uncontested claims from creditors
 410 within 90 days after the claim is presented, as a result of a
 411 lack of funds.

412 (c) Failure to transfer at the appropriate time, due to
 413 lack of funds:

414 1. Taxes withheld on the income of employees; or

415 2. Employer and employee contributions for:

416 a. Federal social security; or

417 b. Any pension, retirement, or benefit plan of an
 418 employee.

419 (d) Failure for one pay period to pay, due to lack of
 420 funds:

421 1. Wages and salaries owed to employees; or
 422 2. Retirement benefits owed to former employees.
 423 (e) An unreserved or total fund balance or retained
 424 earnings deficit, or unrestricted or total net assets deficit,
 425 as reported on the balance sheet or statement of net assets on
 426 the general purpose or fund financial statements, for which
 427 sufficient resources of the local governmental entity, as
 428 reported on the balance sheet or statement of net assets on the
 429 general purpose or fund financial statements, are not available
 430 to cover the deficit. Resources available to cover reported
 431 deficits include net assets that are not otherwise restricted by
 432 federal, state, or local laws, bond covenants, contractual
 433 agreements, or other legal constraints. Fixed or capital assets,
 434 the disposal of which would impair the ability of a local
 435 governmental entity to carry out its functions, are not
 436 considered resources available to cover reported deficits.
 437 (2) A local governmental entity shall notify the Governor
 438 and the Legislative Auditing Committee, a charter school shall
 439 notify the charter school sponsor and the Legislative Auditing
 440 Committee, a charter technical career center shall notify the
 441 charter technical career center sponsor and the Legislative
 442 Auditing Committee, and a district school board shall notify the
 443 Commissioner of Education and the Legislative Auditing
 444 Committee, when one or more of the conditions specified in
 445 subsection (1) have occurred or will occur if action is not
 446 taken to assist the local governmental entity, charter school,
 447 charter technical career center, or district school board. In
 448 addition, any state agency must, within 30 days after a

449 determination that one or more of the conditions specified in
 450 subsection (1) have occurred or will occur if action is not
 451 taken to assist the local governmental entity, charter school,
 452 charter technical career center, or district school board,
 453 notify the Governor, charter school sponsor, charter technical
 454 career center sponsor, or the Commissioner of Education, as
 455 appropriate, and the Legislative Auditing Committee.

456 (4) (a) Upon notification that one or more of the
 457 conditions in subsection (1) exist, the charter school sponsor
 458 or the sponsor's designee and the Commissioner of Education
 459 shall contact the charter school governing body to determine
 460 what actions have been taken by the charter school governing
 461 body to resolve the condition. The Commissioner of Education may
 462 ~~charter school sponsor has the authority to require~~ and approve
 463 a financial recovery plan, to be prepared by the charter school
 464 governing body, prescribing actions that will cause the charter
 465 school to no longer be subject to this section. ~~The Department~~
 466 ~~of Education shall establish guidelines for developing such~~
 467 ~~plans.~~

468 (b) Upon notification that one or more of the conditions
 469 in subsection (1) exist, the charter technical career center
 470 sponsor or the sponsor's designee and the Commissioner of
 471 Education shall contact the charter technical career center
 472 governing body to determine what actions have been taken by the
 473 charter technical career center governing body to resolve the
 474 condition. The Commissioner of Education may require and approve
 475 a financial recovery plan, to be prepared by the charter
 476 technical career center governing body, prescribing actions that

477 will cause the charter technical career center to no longer be
 478 subject to this section.

479 (c) The Commissioner of Education shall determine if the
 480 charter school or charter technical career center needs a
 481 financial recovery plan to resolve the condition. If the
 482 Commissioner of Education determines that a financial recovery
 483 plan is needed, the charter school or charter technical career
 484 center is considered to be in a state of financial emergency.

485
 486 The Department of Education, with the involvement of sponsors,
 487 charter schools, and charter technical career centers, shall
 488 establish guidelines for developing such plans.

489 Section 6. Section 218.504, Florida Statutes, is amended
 490 to read:

491 218.504 Cessation of state action.--The Governor or the
 492 Commissioner of Education, as appropriate, has the authority to
 493 terminate all state actions pursuant to ss. 218.50-218.504.
 494 Cessation of state action must not occur until the Governor or
 495 the Commissioner of Education, as appropriate, has determined
 496 that:

497 (1) The local governmental entity, charter school, charter
 498 technical career center, or district school board:

499 (a) Has established and is operating an effective
 500 financial accounting and reporting system.

501 (b) Has resolved the conditions outlined in s. 218.503(1).

502 (2) None of the conditions outlined in s. 218.503(1)
 503 exists.

504 Section 7. Paragraph (b) of subsection (5), paragraphs

505 (a), (b), and (d) of subsection (6), paragraphs (a) and (b) of
 506 subsection (7), paragraphs (g) through (q) of subsection (9),
 507 paragraph (a) of subsection (10), paragraphs (b) and (c) of
 508 subsection (17), paragraph (e) of subsection (18), paragraph (a)
 509 of subsection (20), and subsections (21) and (23) of section
 510 1002.33, Florida Statutes, are amended, present subsection (24)
 511 of that is redesignated as subsection (26), and new subsections
 512 (24) and (25) are added to that section, to read:

513 1002.33 Charter schools.—

514 (5) SPONSOR; DUTIES.--

515 (b) Sponsor duties.--

516 1.a. The sponsor shall monitor and review the charter
 517 school in its progress toward the goals established in the
 518 charter.

519 b. The sponsor shall monitor the revenues and expenditures
 520 of the charter school and perform the duties provided for in s.
 521 1002.345.

522 c. The sponsor may approve a charter for a charter school
 523 before the applicant has secured space, equipment, or personnel,
 524 if the applicant indicates approval is necessary for it to raise
 525 working funds.

526 d. The sponsor's policies shall not apply to a charter
 527 school unless mutually agreed to by both the sponsor and the
 528 charter school.

529 e. The sponsor shall ensure that the charter is innovative
 530 and consistent with the state education goals established by s.
 531 1000.03(5).

532 f. The sponsor shall ensure that the charter school

533 participates in the state's education accountability system. If
 534 a charter school falls short of performance measures included in
 535 the approved charter, the sponsor shall report such shortcomings
 536 to the Department of Education.

537 g. The sponsor shall not be liable for civil damages under
 538 state law for personal injury, property damage, or death
 539 resulting from an act or omission of an officer, employee,
 540 agent, or governing body of the charter school.

541 h. The sponsor shall not be liable for civil damages under
 542 state law for any employment actions taken by an officer,
 543 employee, agent, or governing body of the charter school.

544 i. The sponsor's duties to monitor the charter school
 545 shall not constitute the basis for a private cause of action.

546 j. The sponsor shall not impose additional reporting
 547 requirements on a charter school without providing reasonable
 548 and specific justification in writing to the charter school.

549 2. Immunity for the sponsor of a charter school under
 550 subparagraph 1. applies only with respect to acts or omissions
 551 not under the sponsor's direct authority as described in this
 552 section.

553 3. Nothing contained in this paragraph shall be considered
 554 a waiver of sovereign immunity by a district school board.

555 4. A community college may work with the school district
 556 or school districts in its designated service area to develop
 557 charter schools that offer secondary education. These charter
 558 schools must include an option for students to receive an
 559 associate degree upon high school graduation. District school
 560 boards shall cooperate with and assist the community college on

561 the charter application. Community college applications for
 562 charter schools are not subject to the time deadlines outlined
 563 in subsection (6) and may be approved by the district school
 564 board at any time during the year. Community colleges shall not
 565 report FTE for any students who receive FTE funding through the
 566 Florida Education Finance Program.

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

569 (a) A person or entity wishing to open a charter school
 570 shall prepare and submit an application on a form developed by
 571 the Department of Education, which ~~that~~:

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

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

578 3. Contains goals and objectives for improving student
 579 learning and measuring that improvement. These goals and
 580 objectives must indicate how much academic improvement students
 581 are expected to show each year, how success will be evaluated,
 582 and the specific results to be attained through instruction.

583 4. Describes the reading curriculum and differentiated
 584 strategies that will be used for students reading at grade level
 585 or higher and a separate curriculum and strategies for students
 586 who are reading below grade level. A sponsor shall deny a
 587 charter if the school does not propose a reading curriculum that
 588 is consistent with effective teaching strategies that are

589 grounded in scientifically based reading research.

590 5. Contains an annual financial plan for each year
 591 requested by the charter for operation of the school for up to 5
 592 years. This plan must contain anticipated fund balances based on
 593 revenue projections, a spending plan based on projected revenues
 594 and expenses, and a description of controls that will safeguard
 595 finances and projected enrollment trends.

596 (b) A sponsor shall receive and review all applications
 597 for a charter school using an evaluation instrument developed by
 598 the Department of Education. Beginning with the 2007-2008 school
 599 year, a sponsor shall receive and consider charter school
 600 applications received on or before August 1 of each calendar
 601 year for charter schools to be opened at the beginning of the
 602 school district's next school year, or to be opened at a time
 603 agreed to by the applicant and the sponsor. A sponsor may
 604 receive applications later than this date if it chooses. A
 605 sponsor may not charge an applicant for a charter any fee for
 606 the processing or consideration of an application, and a sponsor
 607 may not base its consideration or approval of an application
 608 upon the promise of future payment of any kind.

609 1. In order to facilitate an accurate budget projection
 610 process, a sponsor shall be held harmless for FTE students who
 611 are not included in the FTE projection due to approval of
 612 charter school applications after the FTE projection deadline.
 613 In a further effort to facilitate an accurate budget projection,
 614 within 15 calendar days after receipt of a charter school
 615 application, a sponsor shall report to the Department of
 616 Education the name of the applicant entity, the proposed charter

617 school location, and its projected FTE.

618 2. In order to ensure fiscal responsibility, an
619 application for a charter school shall include a full accounting
620 of expected assets, a projection of expected sources and amounts
621 of income, including income derived from projected student
622 enrollments and from community support, and an expense
623 projection that includes full accounting of the costs of
624 operation, including start-up costs.

625 3. A sponsor shall by a majority vote approve or deny an
626 application no later than 60 calendar days after the application
627 is received, unless the sponsor and the applicant mutually agree
628 in writing to temporarily postpone the vote to a specific date,
629 at which time the sponsor shall by a majority vote approve or
630 deny the application. If the sponsor fails to act on the
631 application, an applicant may appeal to the State Board of
632 Education as provided in paragraph (c). If an application is
633 denied, the sponsor shall, within 10 calendar days, articulate
634 in writing the specific reasons, based upon good cause,
635 supporting its denial of the charter application and shall
636 provide the letter of denial and supporting documentation to the
637 applicant and to the Department of Education supporting those
638 reasons.

639 4. For budget projection purposes, the sponsor shall
640 report to the Department of Education the approval or denial of
641 a charter application within 10 calendar days after such
642 approval or denial. In the event of approval, the report to the
643 Department of Education shall include the final projected FTE
644 for the approved charter school.

645 5. Upon approval of a charter application, the initial
 646 startup shall commence with the beginning of the public school
 647 calendar for the district in which the charter is granted unless
 648 the sponsor allows a waiver of this provision for good cause.

649 (d) For charter school applications in school districts
 650 that have not been granted exclusive authority to sponsor
 651 charter schools pursuant to s. 1002.335(5), the right to appeal
 652 an application denial under paragraph (c) shall be contingent on
 653 the applicant having submitted the same or a substantially
 654 similar application to the district school board and the Florida
 655 Schools of Excellence Commission or one of its cosponsors. Any
 656 such applicant whose application is denied by the commission or
 657 one of its cosponsors and ~~subsequent to its denial~~ by the
 658 district school board may exercise its right to appeal the
 659 district school board's denial under paragraph (c) within 30
 660 days after receipt of the commission's or cosponsor's denial or
 661 failure to act on the application. However, the applicant
 662 forfeits its right to appeal under paragraph (c) if it fails to
 663 submit its application to the commission or one of its
 664 cosponsors by August 1 of the school year immediately following
 665 the district school board's denial of the application.

666 (7) CHARTER.--The major issues involving the operation of
 667 a charter school shall be considered in advance and written into
 668 the charter. The charter shall be signed by the governing body
 669 of the charter school and the sponsor, following a public
 670 hearing to ensure community input.

671 (a) The charter shall address, and criteria for approval
 672 of the charter shall be based on:

673 1. The school's mission, the students to be served, and
 674 the ages and grades to be included.

675 2. The focus of the curriculum, the instructional methods
 676 to be used, any distinctive instructional techniques to be
 677 employed, and identification and acquisition of appropriate
 678 technologies needed to improve educational and administrative
 679 performance which include a means for promoting safe, ethical,
 680 and appropriate uses of technology which comply with legal and
 681 professional standards. The charter shall ensure that reading is
 682 a primary focus of the curriculum and that resources are
 683 provided to identify and provide specialized instruction for
 684 students who are reading below grade level. The curriculum and
 685 instructional strategies for reading must be consistent with the
 686 Sunshine State Standards and grounded in scientifically based
 687 reading research.

688 3. The current incoming baseline standard of student
 689 academic achievement, the outcomes to be achieved, and the
 690 method of measurement that will be used. The criteria listed in
 691 this subparagraph shall include a detailed description for each
 692 of the following:

693 a. How the baseline student academic achievement levels
 694 and prior rates of academic progress will be established.

695 b. How these baseline rates will be compared to rates of
 696 academic progress achieved by these same students while
 697 attending the charter school.

698 c. To the extent possible, how these rates of progress
 699 will be evaluated and compared with rates of progress of other
 700 closely comparable student populations.

701
 702 The district school board is required to provide academic
 703 student performance data to charter schools for each of their
 704 students coming from the district school system, as well as
 705 rates of academic progress of comparable student populations in
 706 the district school system.

707 4. The methods used to identify the educational strengths
 708 and needs of students and how well educational goals and
 709 performance standards are met by students attending the charter
 710 school. Included in the methods is a means for the charter
 711 school to ensure accountability to its constituents by analyzing
 712 student performance data and by evaluating the effectiveness and
 713 efficiency of its major educational programs. Students in
 714 charter schools shall, at a minimum, participate in the
 715 statewide assessment program created under s. 1008.22.

716 5. In secondary charter schools, a method for determining
 717 that a student has satisfied the requirements for graduation in
 718 s. 1003.43.

719 6. A method for resolving conflicts between the governing
 720 body of the charter school and the sponsor.

721 7. The admissions procedures and dismissal procedures,
 722 including the school's code of student conduct.

723 8. The ways by which the school will achieve a
 724 racial/ethnic balance reflective of the community it serves or
 725 within the racial/ethnic range of other public schools in the
 726 same school district.

727 9. The financial and administrative management of the
 728 school, including a reasonable demonstration of the professional

729 | experience or competence of those individuals or organizations
 730 | applying to operate the charter school or those hired or
 731 | retained to perform such professional services and the
 732 | description of clearly delineated responsibilities and the
 733 | policies and practices needed to effectively manage the charter
 734 | school. A description of internal audit procedures and
 735 | establishment of controls to ensure that financial resources are
 736 | properly managed must be included. Both public sector and
 737 | private sector professional experience shall be equally valid in
 738 | such a consideration.

739 | 10. The asset and liability projections required in the
 740 | application which are incorporated into the charter and which
 741 | shall be compared with information provided in the annual report
 742 | of the charter school. ~~The charter shall ensure that, if a~~
 743 | ~~charter school internal audit or annual financial audit reveals~~
 744 | ~~a state of financial emergency as defined in s. 218.503 or~~
 745 | ~~deficit financial position, the auditors are required to notify~~
 746 | ~~the charter school governing board, the sponsor, and the~~
 747 | ~~Department of Education. The internal auditor shall report such~~
 748 | ~~findings in the form of an exit interview to the principal or~~
 749 | ~~the principal administrator of the charter school and the chair~~
 750 | ~~of the governing board within 7 working days after finding the~~
 751 | ~~state of financial emergency or deficit position. A final report~~
 752 | ~~shall be provided to the entire governing board, the sponsor,~~
 753 | ~~and the Department of Education within 14 working days after the~~
 754 | ~~exit interview. When a charter school is in a state of financial~~
 755 | ~~emergency, the charter school shall file a detailed financial~~
 756 | ~~recovery plan with the sponsor. The department, with the~~

757 ~~involvement of both sponsors and charter schools, shall~~
 758 ~~establish guidelines for developing such plans.~~

759 11. A description of procedures that identify various
 760 risks and provide for a comprehensive approach to reduce the
 761 impact of losses; plans to ensure the safety and security of
 762 students and staff; plans to identify, minimize, and protect
 763 others from violent or disruptive student behavior; and the
 764 manner in which the school will be insured, including whether or
 765 not the school will be required to have liability insurance,
 766 and, if so, the terms and conditions thereof and the amounts of
 767 coverage.

768 12. The term of the charter which shall provide for
 769 cancellation of the charter if insufficient progress has been
 770 made in attaining the student achievement objectives of the
 771 charter and if it is not likely that such objectives can be
 772 achieved before expiration of the charter. The initial term of a
 773 charter shall be for 4 or 5 years. In order to facilitate access
 774 to long-term financial resources for charter school
 775 construction, charter schools that are operated by a
 776 municipality or other public entity as provided by law are
 777 eligible for up to a 15-year charter, subject to approval by the
 778 district school board. A charter lab school is eligible for a
 779 charter for a term of up to 15 years. In addition, to facilitate
 780 access to long-term financial resources for charter school
 781 construction, charter schools that are operated by a private,
 782 not-for-profit, s. 501(c)(3) status corporation are eligible for
 783 up to a 15-year charter, subject to approval by the district
 784 school board. Such long-term charters remain subject to annual

785 review and may be terminated during the term of the charter, but
 786 only according to the provisions set forth in subsection (8).

787 13. The facilities to be used and their location.

788 14. The qualifications to be required of the teachers and
 789 the potential strategies used to recruit, hire, train, and
 790 retain qualified staff to achieve best value.

791 15. The governance structure of the school, including the
 792 status of the charter school as a public or private employer as
 793 required in paragraph (12)(i).

794 16. A timetable for implementing the charter which
 795 addresses the implementation of each element thereof and the
 796 date by which the charter shall be awarded in order to meet this
 797 timetable.

798 17. In the case of an existing public school being
 799 converted to charter status, alternative arrangements for
 800 current students who choose not to attend the charter school and
 801 for current teachers who choose not to teach in the charter
 802 school after conversion in accordance with the existing
 803 collective bargaining agreement or district school board rule in
 804 the absence of a collective bargaining agreement. However,
 805 alternative arrangements shall not be required for current
 806 teachers who choose not to teach in a charter lab school, except
 807 as authorized by the employment policies of the state university
 808 which grants the charter to the lab school.

809 18. Full disclosure of the identity of all relatives
 810 employed by the charter school who are related to the charter
 811 school owner, president, chair of the governing board of
 812 directors, superintendent, governing board member, principal,

813 assistant principal, or any other person employed by the charter
 814 school having equivalent decisionmaking authority. For the
 815 purpose of this subparagraph, the term "relative" means father,
 816 mother, son, daughter, brother, sister, husband, wife, father-
 817 in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-
 818 law, sister-in-law, stepfather, stepmother, stepson,
 819 stepdaughter, stepbrother, stepsister, half brother, or half
 820 sister.

821 (b)~~1.~~ A charter may be renewed if ~~provided that~~ a program
 822 review demonstrates that the criteria in paragraph (a) have been
 823 successfully accomplished and that none of the grounds for
 824 nonrenewal established by paragraph (8) (a) has been documented.
 825 In order to facilitate long-term financing for charter school
 826 construction, charter schools operating for a minimum of 3 years
 827 and demonstrating exemplary academic programming and fiscal
 828 management must be provided the option of ~~are eligible for~~ a 15-
 829 year charter renewal. ~~Such long term charter is subject to~~
 830 ~~annual review and may be terminated during the term of the~~
 831 ~~charter.~~

832 ~~2. The 15 year charter renewal that may be granted~~
 833 ~~pursuant to subparagraph 1. shall be granted to a charter school~~
 834 ~~that has received a school grade of "A" or "B" pursuant to s.~~
 835 ~~1008.34 in 3 of the past 4 years and is not in a state of~~
 836 ~~financial emergency or deficit position as defined by this~~
 837 ~~section.~~ Such long-term charter is subject to annual review and
 838 may be terminated during the term of the charter pursuant to
 839 subsection (8).

840 (9) CHARTER SCHOOL REQUIREMENTS.--

841 ~~(g) A charter school shall provide for an annual financial~~
 842 ~~audit in accordance with s. 218.39. Financial audits that reveal~~
 843 ~~a state of financial emergency as defined in s. 218.503 and are~~
 844 ~~conducted by a certified public accountant or auditor in~~
 845 ~~accordance with s. 218.39 shall be provided to the governing~~
 846 ~~body of the charter school within 7 working days after finding~~
 847 ~~that a state of financial emergency exists. When a charter~~
 848 ~~school is found to be in a state of financial emergency by a~~
 849 ~~certified public accountant or auditor, the charter school must~~
 850 ~~file a detailed financial recovery plan with the sponsor within~~
 851 ~~30 days after receipt of the audit.~~

852 (g) ~~(h)~~ In order to provide financial information that is
 853 comparable to that reported for other public schools, charter
 854 schools are to maintain all financial records which constitute
 855 their accounting system:

856 1. In accordance with the accounts and codes prescribed in
 857 the most recent issuance of the publication titled "Financial
 858 and Program Cost Accounting and Reporting for Florida Schools";
 859 or

860 2. At the discretion of the charter school governing
 861 board, a charter school may elect to follow generally accepted
 862 accounting standards for not-for-profit organizations, but must
 863 reformat this information for reporting according to this
 864 paragraph.

865
 866 Charter schools shall provide annual financial report and
 867 program cost report information in the state-required formats
 868 for inclusion in district reporting in compliance with s.

869 1011.60(1). Charter schools that are operated by a municipality
 870 or are a component unit of a parent nonprofit organization may
 871 use the accounting system of the municipality or the parent but
 872 must reformat this information for reporting according to this
 873 paragraph. A charter school shall provide quarterly financial
 874 statements to the sponsor.

875 (h)~~(i)~~ The governing board of the charter school shall
 876 annually adopt and maintain an operating budget.

877 (i)~~(j)~~ The governing body of the charter school shall
 878 exercise continuing oversight over charter school operations.

879 (j)~~(k)~~ The governing body of the charter school shall be
 880 responsible for:

881 1. Ensuring that the charter school has retained the
 882 services of a certified public accountant or auditor for the
 883 annual financial audit, pursuant to s. 1002.345(2) ~~paragraph~~
 884 ~~(g)~~, who shall submit the report to the governing body.

885 2. Reviewing and approving the audit report, including
 886 audit findings and recommendations for the financial recovery
 887 plan.

888 3.a. Performing the duties provided for in s. 1002.345,
 889 including monitoring a corrective action plan.

890 b. Monitoring a financial recovery plan in order to ensure
 891 compliance.

892 4. Participating in governance training approved by the
 893 department that must include government in the sunshine,
 894 conflicts of interest, ethics, and financial responsibility.

895 (k)~~(l)~~ The governing body of the charter school shall
 896 report its progress annually to its sponsor, which shall forward

897 the report to the Commissioner of Education at the same time as
 898 other annual school accountability reports. The Department of
 899 Education shall develop a uniform, online annual accountability
 900 report format to be completed by charter schools. This report
 901 shall be easy to utilize and contain demographic information,
 902 student performance data, and financial accountability
 903 information. A charter school may directly access, complete, and
 904 correct school data and information in the online accountability
 905 report. The sponsor shall review the report before final
 906 submission to ~~shall not be required to provide information and~~
 907 ~~data that is duplicative and already in the possession of the~~
 908 department. The Department of Education shall include in its
 909 compilation a notation if a school failed to file its report by
 910 the deadline established by the department. The report shall
 911 include at least the following components:

912 1. Student achievement performance data, including the
 913 information required for the annual school report and the
 914 education accountability system governed by ss. 1008.31 and
 915 1008.345. Charter schools are subject to the same accountability
 916 requirements as other public schools, including reports of
 917 student achievement information that links baseline student data
 918 to the school's performance projections identified in the
 919 charter. The charter school shall identify reasons for any
 920 difference between projected and actual student performance.

921 2. Financial status of the charter school which must
 922 include revenues and expenditures at a level of detail that
 923 allows for analysis of the school's ability to meet financial
 924 obligations and timely repayment of debt.

925 3. Documentation of the facilities in current use and any
 926 planned facilities for use by the charter school for instruction
 927 of students, administrative functions, or investment purposes.

928 4. Descriptive information about the charter school's
 929 personnel, including salary and benefit levels of charter school
 930 employees, the proportion of instructional personnel who hold
 931 professional or temporary certificates, and the proportion of
 932 instructional personnel teaching in-field or out-of-field.

933 (1)~~(m)~~ A charter school shall not levy taxes or issue
 934 bonds secured by tax revenues.

935 (m)~~(n)~~ A charter school shall provide instruction for at
 936 least the number of days required by law for other public
 937 schools, and may provide instruction for additional days.

938 (n)~~(e)~~ The director and a representative of the governing
 939 body of a charter school that has received a school grade of "D"
 940 under s. 1008.34(2) shall appear before the sponsor or the
 941 sponsor's staff at least once a year to present information
 942 concerning each contract component having noted deficiencies.
 943 The sponsor shall communicate at the meeting, and in writing to
 944 the director, the services provided to the school to help the
 945 school address its deficiencies.

946 (o)~~(p)~~ Upon notification that a charter school receives a
 947 school grade of "D" for 2 consecutive years or a school grade of
 948 "F" under s. 1008.34(2), the charter school sponsor or the
 949 sponsor's staff shall require the director and a representative
 950 of the governing body to submit to the sponsor for approval a
 951 school improvement plan to raise student achievement and to
 952 implement the plan. The sponsor has the authority to approve a

953 school improvement plan that the charter school will implement
 954 in the following school year. The sponsor may also consider the
 955 State Board of Education's recommended action pursuant to s.
 956 1008.33(1) as part of the school improvement plan. The
 957 Department of Education shall offer technical assistance and
 958 training to the charter school and its governing body and
 959 establish guidelines for developing, submitting, and approving
 960 such plans.

961 1. If the charter school fails to improve its student
 962 performance from the year immediately prior to the
 963 implementation of the school improvement plan, the sponsor shall
 964 place the charter school on probation and shall require the
 965 charter school governing body to take one of the following
 966 corrective actions:

967 a. Contract for the educational services of the charter
 968 school;

969 b. Reorganize the school at the end of the school year
 970 under a new director or principal who is authorized to hire new
 971 staff and implement a plan that addresses the causes of
 972 inadequate progress; or

973 c. Reconstitute the charter school.

974 2. A charter school that is placed on probation shall
 975 continue the corrective actions required under subparagraph 1.
 976 until the charter school improves its student performance from
 977 the year prior to the implementation of the school improvement
 978 plan.

979 3. Notwithstanding any provision of this paragraph, the
 980 sponsor may terminate the charter at any time pursuant to the

981 provisions of subsection (8).

982 (p) ~~(q)~~ The director and a representative of the governing
 983 body of a graded charter school that has submitted a school
 984 improvement plan or has been placed on probation under paragraph
 985 (o) ~~(p)~~ shall appear before the sponsor or the sponsor's staff
 986 at least once a year to present information regarding the
 987 corrective strategies that are being implemented by the school
 988 pursuant to the school improvement plan. The sponsor shall
 989 communicate at the meeting, and in writing to the director, the
 990 services provided to the school to help the school address its
 991 deficiencies.

992 (10) ELIGIBLE STUDENTS.--

993 (a) A charter school shall be open to any student ~~covered~~
 994 ~~in an interdistrict agreement or~~ residing in the school district
 995 in which the charter school is located; however, in the case of
 996 a charter lab school, the charter lab school shall be open to
 997 any student eligible to attend the lab school as provided in s.
 998 1002.32 or who resides in the school district in which the
 999 charter lab school is located. Any ~~eligible~~ student shall be
 1000 allowed interdistrict transfer to attend a charter school when
 1001 based on good cause. Good cause shall include, but not be
 1002 limited to, geographic proximity to a charter school in a
 1003 neighboring school district.

1004 (17) FUNDING.--Students enrolled in a charter school,
 1005 regardless of the sponsorship, shall be funded as if they are in
 1006 a basic program or a special program, the same as students
 1007 enrolled in other public schools in the school district. Funding
 1008 for a charter lab school shall be as provided in s. 1002.32.

1009 (b) The basis for the agreement for funding students
 1010 enrolled in a charter school shall be the sum of the school
 1011 district's operating funds from the Florida Education Finance
 1012 Program as provided in s. 1011.62 and the General Appropriations
 1013 Act, including gross state and local funds, discretionary
 1014 lottery funds, and funds from the school district's current
 1015 operating discretionary millage levy; divided by total funded
 1016 weighted full-time equivalent students in the school district;
 1017 multiplied by the weighted full-time equivalent students for the
 1018 charter school. Charter schools whose students or programs meet
 1019 the eligibility criteria in law shall be entitled to their
 1020 proportionate share of categorical program funds included in the
 1021 total funds available in the Florida Education Finance Program
 1022 by the Legislature, including transportation. Total funding for
 1023 each charter school shall be recalculated during the year to
 1024 reflect the revised calculations under the Florida Education
 1025 Finance Program by the state and the actual weighted full-time
 1026 equivalent students reported by the charter school during the
 1027 full-time equivalent student survey periods designated by the
 1028 Commissioner of Education. Florida Education Finance Program
 1029 funds for a charter school must be distributed to the charter
 1030 school by the sponsor within 10 days after receipt by the state.

1031 (c) If the sponsor ~~district school board~~ is providing
 1032 programs or services to students funded by federal funds, any
 1033 eligible students enrolled in charter schools in the school
 1034 district shall be provided federal funds for the same level of
 1035 service provided students in the schools operated by the
 1036 district school board. Pursuant to provisions of 20 U.S.C. 8061

1037 s. 10306, all charter schools shall receive all federal funding
 1038 for which the school is otherwise eligible, including Title I
 1039 funding and funding under the Individuals with Disabilities
 1040 Education Act, not later than 5 months after the charter school
 1041 first opens and within 5 months after any subsequent expansion
 1042 of enrollment.

1043 (18) FACILITIES.--

1044 (e) If a district school board facility or property is
 1045 available because it is surplus, marked for disposal, or
 1046 otherwise unused, it shall be provided for a charter school's
 1047 use on the same basis as it is made available to other public
 1048 schools in the district. If a school district closes a public
 1049 school, the property and facilities must first be made available
 1050 within 60 days, for lease or purchase, to charter schools within
 1051 the district to be used for educational purposes. A charter
 1052 school receiving property from the school district may not sell
 1053 or dispose of such property without written permission of the
 1054 school district. Similarly, for an existing public school
 1055 converting to charter status, no rental or leasing fee for the
 1056 existing facility or for the property normally inventoried to
 1057 the conversion school may be charged by the district school
 1058 board to the parents and teachers organizing the charter school.
 1059 The charter school shall agree to reasonable maintenance
 1060 provisions in order to maintain the facility in a manner similar
 1061 to district school board standards. The Public Education Capital
 1062 Outlay maintenance funds or any other maintenance funds
 1063 generated by the facility operated as a conversion school shall
 1064 remain with the conversion school.

1065 (20) SERVICES.--

1066 (a) A sponsor shall provide certain administrative and

1067 educational services to charter schools. These services shall

1068 include contract management services; full-time equivalent and

1069 data reporting services; exceptional student education

1070 administration services; services related to eligibility and

1071 reporting duties required to ensure that school lunch services

1072 under the federal lunch program, consistent with the needs of

1073 the charter school, are provided by the school district at the

1074 request of the charter school, that any funds due the charter

1075 school under the federal lunch program be paid to the charter

1076 school as soon as the charter school begins serving food under

1077 the federal lunch program, and that the charter school is paid

1078 at the same time and in the same manner under the federal lunch

1079 program as other public schools serviced by the sponsor or

1080 school district; test administration services, including payment

1081 of the costs of state-required or district-required student

1082 assessments; processing of teacher certificate data services;

1083 and information services, including equal access to student

1084 information systems that are used by public schools in the

1085 district in which the charter school is located. Student

1086 performance data for each student in a charter school,

1087 including, but not limited to, FCAT scores, standardized test

1088 scores, previous public school student report cards, and student

1089 performance measures, shall be provided by the sponsor to a

1090 charter school in the same manner provided to other public

1091 schools in the district. A total administrative fee for the

1092 provision of such services shall be calculated based upon up to

1093 5 percent of the available funds defined in paragraph (17) (b)
 1094 for all students. However, a sponsor may only withhold up to a
 1095 5-percent administrative fee for enrollment for up to and
 1096 including 500 students. For charter schools with a population of
 1097 501 or more students, the difference between the total
 1098 administrative fee calculation and the amount of the
 1099 administrative fee withheld may only be used for capital outlay
 1100 purposes specified in s. 1013.62(2). Sponsors shall not charge
 1101 charter schools any additional fees or surcharges for
 1102 administrative and educational services in addition to the
 1103 maximum 5-percent administrative fee withheld pursuant to this
 1104 paragraph.

1105 (21) PUBLIC INFORMATION ON CHARTER SCHOOLS.--

1106 (a) The Department of Education shall provide information
 1107 to the public, directly and through sponsors, both on how to
 1108 form and operate a charter school and on how to enroll in
 1109 charter schools once they are created. This information shall
 1110 include a standard application format, charter format,
 1111 evaluation instrument, and charter renewal format which shall
 1112 include the information specified in subsection (7) and shall be
 1113 developed by consulting and negotiating with ~~both~~ school
 1114 districts, the Florida Schools of Excellence Commission, and
 1115 charter schools before implementation. These formats shall be
 1116 used ~~as guidelines~~ by charter school sponsors.

1117 (b)1. The Department of Education shall report student
 1118 assessment data pursuant to s. 1008.34(3)(b) which is reported
 1119 to schools that receive a school grade pursuant to s. 1008.34 or
 1120 student assessment data pursuant to s. 1008.341(3) which is

1121 reported to alternative schools that receive a school
 1122 improvement rating pursuant to s. 1008.341 to each charter
 1123 school that:

1124 a. Does not receive a school grade pursuant to s. 1008.34
 1125 or a school improvement rating pursuant to s. 1008.341; and
 1126 b. Serves at least 10 students who are tested on the
 1127 statewide assessment test pursuant to s. 1008.22.

1128 2. The charter school shall report the information in
 1129 subparagraph 1. to each parent of a student at the charter
 1130 school, the district in which the charter school is located, and
 1131 the governing board of the charter school. This paragraph does
 1132 not abrogate the provisions of s. 1002.22, relating to student
 1133 records, and the requirements of 20 U.S.C. s. 1232g, the Family
 1134 Educational Rights and Privacy Act.

1135 3.a. Pursuant to this paragraph, the Department of
 1136 Education shall compare the charter school student performance
 1137 data for each charter school in subparagraph 1. with the student
 1138 performance data in traditional public schools in the district
 1139 in which the charter school is located and other charter schools
 1140 in the state. For charter alternative schools, the department
 1141 shall compare the student performance data described in this
 1142 paragraph with all alternative schools in the state. The
 1143 comparative data shall be provided by the following grade
 1144 groupings:

1145 (I) Grades 3 through 5.
 1146 (II) Grades 6 through 8.
 1147 (III) Grades 9 through 11.

1148 b. Each charter school shall make the information in this

1149 paragraph available to the public.

1150 (23) ANALYSIS OF CHARTER SCHOOL PERFORMANCE.--Upon receipt
 1151 of the annual report required by paragraph (9)(k) ~~(9)(1)~~, the
 1152 Department of Education shall provide to the State Board of
 1153 Education, the Commissioner of Education, the Governor, the
 1154 President of the Senate, and the Speaker of the House of
 1155 Representatives an analysis and comparison of the overall
 1156 performance of charter school students, to include all students
 1157 whose scores are counted as part of the statewide assessment
 1158 program, versus comparable public school students in the
 1159 district as determined by the statewide assessment program
 1160 currently administered in the school district, and other
 1161 assessments administered pursuant to s. 1008.22(3).

1162 (24) RESTRICTION ON EMPLOYMENT OF RELATIVES.--

1163 (a) This subsection applies to charter school personnel in
 1164 a charter school operated by a private entity. Charter school
 1165 personnel in schools operated by a municipality or other public
 1166 entity are subject to s. 112.3135.

1167 (b) As used in this subsection, the term:

1168 1. "Charter school personnel" means a charter school
 1169 owner, president, chair of the governing board of directors,
 1170 superintendent, governing board member, principal, assistant
 1171 principal, or any other person employed by the charter school
 1172 having equivalent decisionmaking authority and in whom is vested
 1173 the authority, or to whom the authority has been delegated, to
 1174 appoint, employ, promote, or advance individuals or to recommend
 1175 individuals for appointment, employment, promotion, or
 1176 advancement in connection with employment in a charter school,

1177 including the authority as a member of a governing board of a
 1178 charter school to vote on the appointment, employment,
 1179 promotion, or advancement of individuals.

1180 2. "Relative" means father, mother, son, daughter,
 1181 brother, sister, husband, wife, father-in-law, mother-in-law,
 1182 son-in-law, daughter-in-law, brother-in-law, sister-in-law,
 1183 stepfather, stepmother, stepson, stepdaughter, stepbrother,
 1184 stepsister, half brother, or half sister.

1185 3. "Supervise" shall mean the appointment, employment,
 1186 promotion, or advancement of an individual or recommendation of
 1187 the appointment, employment, promotion, or advancement of an
 1188 individual.

1189 (c) Charter school personnel may not supervise a relative
 1190 in the charter school where the personnel serve unless the
 1191 governing board of the charter school unanimously waives this
 1192 provision. Such waiver shall be annually reported by the
 1193 governing board to the charter school's sponsor and shall be
 1194 included in the report under paragraph (9) (k).

1195 (25) STANDARDS OF CONDUCT AND FINANCIAL DISCLOSURE.--

1196 (a) A member of a governing board of a charter school,
 1197 including a charter school operated by a private entity, is
 1198 subject to the provisions of ss. 112.313(2), (3), (7), (12), and
 1199 (15) and 112.3143(3).

1200 (b) A member of a governing board of a charter school
 1201 operated by a municipality or other public entity is subject to
 1202 the provisions of s. 112.3144, relating to the disclosure of
 1203 financial interests.

1204 Section 8. Subsection (5), paragraph (a) of subsection

1205 (7), and paragraph (a) of subsection (11) of section 1002.335,
 1206 Florida Statutes, are amended to read:

1207 1002.335 Florida Schools of Excellence Commission.--

1208 (5) CHARTERING AUTHORITY.--

1209 (a) A charter school applicant may submit an application
 1210 to the commission only if the school district in which the FSE
 1211 charter school is to be located has not retained exclusive
 1212 authority to authorize charter schools as provided in paragraph
 1213 (e). If a district school board has not retained exclusive
 1214 authority to authorize charter schools as provided in paragraph
 1215 (e), the district school board and the commission shall have
 1216 concurrent authority to authorize charter schools and FSE
 1217 charter schools, respectively, to be located within the
 1218 geographic boundaries of the school district. The district
 1219 school board shall monitor and oversee all charter schools
 1220 authorized by the district school board pursuant to s. 1002.33.
 1221 The commission shall monitor and oversee all FSE charter schools
 1222 sponsored by the commission pursuant to subsection (4).

1223 (b) Paragraph (e) may not be construed to eliminate the
 1224 ability of a district school board to authorize charter schools
 1225 pursuant to s. 1002.33. A district school board shall retain the
 1226 authority to reauthorize and to oversee any charter school that
 1227 it has authorized, except with respect to any charter school
 1228 that is converted to an FSE charter school under this section.

1229 (c) For fiscal year 2008-2009 and every 4 fiscal years
 1230 thereafter ~~2007-2008 and for each fiscal year thereafter~~, a
 1231 district school board may seek ~~to retain~~ exclusive authority to
 1232 authorize charter schools within the geographic boundaries of

1233 the school district by presenting to the State Board of
 1234 Education, on or before March 1 of the fiscal year prior to that
 1235 for which the exclusive authority is to apply, a written
 1236 resolution adopted by the district school board indicating the
 1237 intent to seek ~~retain~~ exclusive authority to authorize charter
 1238 schools. ~~A district school board may seek to retain the~~
 1239 ~~exclusive authority to authorize charter schools by presenting~~
 1240 ~~to the state board the written resolution on or before a date 60~~
 1241 ~~days after establishment of the commission.~~ The written
 1242 resolution shall be accompanied by a written description
 1243 addressing the elements described in paragraph (e). The district
 1244 school board shall provide a complete copy of the resolution,
 1245 including the description, to each charter school authorized by
 1246 the district school board on or before the date it submits the
 1247 resolution to the state board.

1248 (d) A party may challenge the grant of exclusive authority
 1249 made by the State Board of Education pursuant to paragraph (e)
 1250 by filing with the state board a notice of challenge within 30
 1251 days after the state board grants exclusive authority. The
 1252 notice shall be accompanied by a specific written description of
 1253 the basis for the challenge. The challenging party, at the time
 1254 of filing notice with the state board, shall provide a copy of
 1255 the notice of challenge to the district school board that has
 1256 been granted exclusive authority. The state board shall permit
 1257 the district school board the opportunity to appear and respond
 1258 in writing to the challenge. The state board shall make a
 1259 determination upon the challenge within 60 days after receiving
 1260 the notice of challenge.

1261 (e) The State Board of Education shall grant to a district
 1262 school board exclusive authority to authorize charter schools
 1263 within the geographic boundaries of the school district if the
 1264 state board determines, after adequate notice, in a public
 1265 hearing, and after receiving input from any charter school
 1266 authorized by the district school board, that the district
 1267 school board has provided fair and equitable treatment to its
 1268 charter schools during the 4 years prior to the district school
 1269 board's submission of the resolution described in paragraph (c).
 1270 The state board's review of the resolution shall, at a minimum,
 1271 include consideration of the following:

- 1272 1. Compliance with the provisions of s. 1002.33.
- 1273 2. Compliance with full and accurate accounting practices
 1274 and charges for central administrative overhead costs.
- 1275 3. Compliance with requirements allowing a charter school,
 1276 at its discretion, to purchase certain services or a combination
 1277 of services at actual cost to the district.
- 1278 4. The absence of a district school board moratorium
 1279 regarding charter schools or the absence of any districtwide
 1280 charter school enrollment limits.
- 1281 5. Compliance with valid orders of the state board.
- 1282 6. The provision of assistance to charter schools to meet
 1283 their facilities needs by including those needs in local bond
 1284 issues or otherwise providing available land and facilities that
 1285 are comparable to those provided to other public school students
 1286 in the same grade levels within the school district.
- 1287 7. The distribution to charter schools authorized by the
 1288 district school board of a pro rata share of federal and state

1289 grants received by the district school board, except for any
 1290 grant received for a particular purpose which, by its express
 1291 terms, is intended to benefit a student population not able to
 1292 be served by, or a program not able to be offered at, a charter
 1293 school that did not receive a proportionate share of such grant
 1294 proceeds.

1295 8. The provision of adequate staff and other resources to
 1296 serve charter schools authorized by the district school board,
 1297 which services are provided by the district school board at a
 1298 cost to the charter schools that does not exceed their actual
 1299 cost to the district school board.

1300 9. The lack of a policy or practice of imposing individual
 1301 charter school enrollment limits, except as otherwise provided
 1302 by law.

1303 10. The provision of an adequate number of educational
 1304 choice programs to serve students exercising their rights to
 1305 transfer pursuant to the "No Child Left Behind Act of 2001,"
 1306 Pub. L. No. 107-110, and a history of charter school approval
 1307 that encourages chartering.

1308 (f) The decision of the State Board of Education to grant
 1309 or deny exclusive authority to a district school board pursuant
 1310 to paragraph (e) shall be effective for 4 fiscal years, shall
 1311 not be subject to the provisions of chapter 120, and shall be a
 1312 final action subject to judicial review by the district court of
 1313 appeal.

1314 (g) For district school boards that have no discernible
 1315 history of authorizing charter schools, the State Board of
 1316 Education may not grant exclusive authority unless the district

1317 school board demonstrates that no approvable application has
 1318 come before the district school board.

1319 ~~(h) A grant of exclusive authority by the State Board of~~
 1320 ~~Education shall continue so long as a district school board~~
 1321 ~~continues to comply with this section and has presented a~~
 1322 ~~written resolution to the state board as set forth in paragraph~~
 1323 ~~(e).~~

1324 (h)~~(i)~~ Notwithstanding any other provision of this section
 1325 to the contrary, a district school board may permit the
 1326 establishment of one or more FSE charter schools within the
 1327 geographic boundaries of the school district by adopting a
 1328 favorable resolution and submitting the resolution to the State
 1329 Board of Education. The resolution shall be effective until it
 1330 is rescinded by resolution of the district school board.

1331 (7) COSPONSOR AGREEMENT.--

1332 (a) Upon approval of a cosponsor, the commission and the
 1333 cosponsor shall enter into an agreement that defines the
 1334 cosponsor's rights and obligations and includes the following:

1335 1. An explanation of the personnel, contractual and
 1336 interagency relationships, and potential revenue sources
 1337 referenced in the application as required in paragraph (6)(c).

1338 2. Incorporation of the requirements of equal access for
 1339 all students, including any plans to provide food service or
 1340 transportation reasonably necessary to provide access to as many
 1341 students as possible.

1342 3. Incorporation of the requirement to serve low-income,
 1343 low-performing, gifted, or underserved student populations.

1344 4. An explanation of the academic and financial goals and

1345 expected outcomes for the cosponsor's charter schools and the
 1346 method and plans by which they will be measured and achieved as
 1347 referenced in the application.

1348 5. The conflict-of-interest policies referenced in the
 1349 application.

1350 6. An explanation of the disposition of facilities and
 1351 assets upon termination and dissolution of a charter school
 1352 approved by the cosponsor.

1353 7.a. A provision requiring the cosponsor to annually
 1354 appear before the commission and provide a report as to the
 1355 information provided pursuant to s. 1002.33(9) (k) ~~(l)~~ for each of
 1356 its charter schools.

1357 b. A provision requiring the cosponsor to perform the
 1358 duties provided for in s. 1002.345.

1359 c. A provision requiring the governing board to perform
 1360 the duties provided for in s. 1002.345, including monitoring the
 1361 corrective action plan.

1362 8. A provision requiring that the cosponsor report the
 1363 student enrollment in each of its sponsored charter schools to
 1364 the district school board of the county in which the school is
 1365 located.

1366 9. A provision requiring that the cosponsor work with the
 1367 commission to provide the necessary reports to the State Board
 1368 of Education.

1369 10. Any other reasonable terms deemed appropriate by the
 1370 commission given the unique characteristics of the cosponsor.

1371 (11) APPLICATION OF CHARTER SCHOOL STATUTE.--

1372 (a) The provisions of s. 1002.33(7)-(12), (14), ~~and~~ (16)-

1373 (19), (21)(b), (24), and (25) ~~shall~~ apply to the commission and
 1374 the cosponsors and charter schools approved pursuant to this
 1375 section.

1376 Section 9. Subsections (4) and (5), paragraphs (d) and (f)
 1377 of subsection (6), paragraph (c) of subsection (10), and
 1378 subsection (13) of section 1002.34, Florida Statutes, are
 1379 amended to read:

1380 1002.34 Charter technical career centers.--

1381 (4) CHARTER.--A sponsor may designate centers as provided
 1382 in this section. An application to establish a center may be
 1383 submitted by a sponsor or another organization that is
 1384 determined, by rule of the State Board of Education, to be
 1385 appropriate. However, an independent school is not eligible for
 1386 status as a center. The charter must be signed by the governing
 1387 body of the center and the sponsor, and must be approved by the
 1388 district school board and community college board of trustees in
 1389 whose geographic region the facility is located. If a charter
 1390 technical career center is established by the conversion to
 1391 charter status of a public technical center formerly governed by
 1392 a district school board, the charter status of that center takes
 1393 precedence in any question of governance. The governance of the
 1394 center or of any program within the center remains with its
 1395 board of directors unless the board agrees to a change in
 1396 governance or its charter is revoked as provided in subsection
 1397 (15). Such a conversion charter technical career center is not
 1398 affected by a change in the governance of public technical
 1399 centers or of programs within other centers that are or have
 1400 been governed by district school boards. A charter technical

1401 career center, or any program within such a center, that was
 1402 governed by a district school board and transferred to a
 1403 community college prior to the effective date of this act is not
 1404 affected by this provision. An applicant who wishes to establish
 1405 a center must submit to the district school board or community
 1406 college board of trustees, or a consortium of one or more of
 1407 each, an application on a form developed by the Department of
 1408 Education which ~~that~~ includes:

- 1409 (a) The name of the proposed center.
- 1410 (b) The proposed structure of the center, including a list
 1411 of proposed members of the board of directors or a description
 1412 of the qualifications for and method of their appointment or
 1413 election.
- 1414 (c) The workforce development goals of the center, the
 1415 curriculum to be offered, and the outcomes and the methods of
 1416 assessing the extent to which the outcomes are met.
- 1417 (d) The admissions policy and criteria for evaluating the
 1418 admission of students.
- 1419 (e) A description of the staff responsibilities and the
 1420 proposed qualifications of the teaching staff.
- 1421 (f) A description of the procedures to be implemented to
 1422 ensure significant involvement of representatives of business
 1423 and industry in the operation of the center.
- 1424 (g) A method for determining whether a student has
 1425 satisfied the requirements for graduation specified in s.
 1426 1003.43 and for completion of a postsecondary certificate or
 1427 degree.
- 1428 (h) A method for granting secondary and postsecondary

1429 | diplomas, certificates, and degrees.

1430 | (i) A description of and address for the physical facility
1431 | in which the center will be located.

1432 | (j) A method of resolving conflicts between the governing
1433 | body of the center and the sponsor and between consortium
1434 | members, if applicable.

1435 | (k) A method for reporting student data as required by law
1436 | and rule.

1437 | (l) The identity of all relatives employed by the charter
1438 | technical career center who are related to the center owner,
1439 | president, chair of the governing board of directors,
1440 | superintendent, governing board member, principal, assistant
1441 | principal, or any other person employed by the center who has
1442 | equivalent decisionmaking authority. As used in this paragraph,
1443 | the term "relative" means father, mother, son, daughter,
1444 | brother, sister, husband, wife, father-in-law, mother-in-law,
1445 | son-in-law, daughter-in-law, brother-in-law, sister-in-law,
1446 | stepfather, stepmother, stepson, stepdaughter, stepbrother,
1447 | stepsister, half brother, or half sister.

1448 | ~~(m)~~(l) Other information required by the district school
1449 | board or community college board of trustees.

1450 |
1451 | Students at a center must meet the same testing and academic
1452 | performance standards as those established by law and rule for
1453 | students at public schools and public technical centers. The
1454 | students must also meet any additional assessment indicators
1455 | that are included within the charter approved by the district
1456 | school board or community college board of trustees.

1457 (5) APPLICATION.--An application to establish a center
 1458 must be submitted by February 1 of the year preceding the school
 1459 year in which the center will begin operation. The sponsor must
 1460 review the application using an evaluation instrument developed
 1461 by the Department of Education and make a final decision on
 1462 whether to approve the application and grant the charter by
 1463 March 1, and may condition the granting of a charter on the
 1464 center's taking certain actions or maintaining certain
 1465 conditions. Such actions and conditions must be provided to the
 1466 applicant in writing. The district school board or community
 1467 college board of trustees is not required to issue a charter to
 1468 any person.

1469 (6) SPONSOR.--A district school board or community college
 1470 board of trustees or a consortium of one or more of each may
 1471 sponsor a center in the county in which the board has
 1472 jurisdiction.

1473 (d) The Department of Education shall offer or arrange for
 1474 training and technical assistance to applicants in developing
 1475 business plans and estimating costs and income. This assistance
 1476 shall address estimating startup costs, projecting enrollment,
 1477 and identifying the types and amounts of state and federal
 1478 financial assistance the center will be eligible to receive. The
 1479 training shall include instruction in accurate financial
 1480 planning and good business practices. ~~The Department of~~
 1481 ~~Education may provide technical assistance to an applicant upon~~
 1482 ~~written request.~~

1483 (f) The sponsor shall monitor and review the center's
 1484 progress toward charter goals and shall monitor the center's

1485 revenues and expenditures. The sponsor shall perform the duties
 1486 provided for in s. 1002.345.

1487 (10) EXEMPTION FROM STATUTES.--

1488 (c) A center must comply with the antidiscrimination
 1489 provisions of s. 1000.05 and the provisions of s. 1002.33(24),
 1490 relating to the employment of relatives.

1491 (13) BOARD OF DIRECTORS AUTHORITY.--The board of directors
 1492 of a center may decide matters relating to the operation of the
 1493 school, including budgeting, curriculum, and operating
 1494 procedures, subject to the center's charter. The board of
 1495 directors is responsible for performing the duties provided for
 1496 in s. 1002.345, including monitoring the corrective action plan.
 1497 The board of directors must comply with the provisions of s.
 1498 1002.33(24) and (25).

1499 Section 10. Section 1002.345, Florida Statutes, is created
 1500 to read:

1501 1002.345 Determination of material financial weaknesses
 1502 and financial emergencies for charter schools and charter
 1503 technical career centers.--This section applies to charter
 1504 schools operating pursuant to ss. 1002.33 and 1002.335 and to
 1505 charter technical career centers operating pursuant to s.
 1506 1002.34.

1507 (1) MATERIAL FINANCIAL WEAKNESS; REQUIREMENTS.--

1508 (a) A charter school and a charter technical career center
 1509 shall be subject to an expedited review by the sponsor when any
 1510 one of the following conditions occurs:

1511 1. An end-of-year financial deficit greater than the
 1512 school's combined cash and accounts receivable balances.

1513 2. A substantial decline in student enrollment without a
 1514 commensurate percentage reduction in expenses. A substantial
 1515 decline is a decline of greater than 25 percent.

1516 3. An outstanding debt in excess of the land, property,
 1517 and equipment balances .

1518 4. Failure to meet financial reporting requirements
 1519 pursuant to s. 1002.33(9), s. 1002.335(7)(a)7., or s.
 1520 1002.34(14).

1521 5. Inadequate financial controls or other adverse
 1522 financial conditions not corrected in 120 days as identified
 1523 through an annual audit conducted pursuant to s. 218.39.

1524 6. Negative financial findings cited in reports by the
 1525 Auditor General or the Office of Program Policy Analysis and
 1526 Government Accountability.

1527 (b) A sponsor shall notify the governing board within 7
 1528 working days when one or more of the conditions specified in
 1529 paragraph (a) occur.

1530 (c) The governing board and the sponsor shall develop a
 1531 corrective action plan and file the plan with the Commissioner
 1532 of Education and the Florida Schools of Excellence Commission
 1533 within 30 working days. If the governing board and the sponsor
 1534 are unable to agree on a corrective action plan, the State Board
 1535 of Education shall determine the components of the plan. The
 1536 governing board shall implement the plan.

1537 (d) The governing board shall include the corrective
 1538 action plan and the status of its implementation in the annual
 1539 progress report to the sponsor that is required under s.
 1540 1002.33(9)(k), s. 1002.335(7)(a)7., or s. 1002.34(14).

1541 (e) If the governing board fails to implement the
 1542 corrective action plan within 1 year, the State Board of
 1543 Education shall prescribe any steps necessary for the charter
 1544 school or the charter technical career center to comply with
 1545 state requirements.

1546 (f) The chair of the governing board shall annually appear
 1547 before the State Board of Education and report on the
 1548 implementation of the State Board of Education's requirements.

1549 (2) FINANCIAL EMERGENCY; DEFICIT FUND BALANCE; DEFICIT NET
 1550 ASSETS; REQUIREMENTS.--

1551 (a) A charter school and a charter technical career center
 1552 shall provide for a certified public accountant or auditor to
 1553 conduct an annual financial audit in accordance with s. 218.39.

1554 (b) The charter shall ensure that, if an annual financial
 1555 audit of a charter school or charter technical career center
 1556 reveals that one or more of the conditions in s. 218.503(1) have
 1557 occurred or will occur if action is not taken or if a charter
 1558 school or charter technical career center has a deficit fund
 1559 balance or deficit net assets, the auditor must notify the
 1560 governing board of the charter school or charter technical
 1561 career center, as appropriate, the sponsor, and the Commissioner
 1562 of Education.

1563 (c) When a financial audit conducted by a certified public
 1564 accountant in accordance with s. 218.39 reveals that one or more
 1565 of the conditions in s. 218.503(1) have occurred or will occur
 1566 if action is not taken or when a deficit fund balance or deficit
 1567 net assets exist, the auditor shall notify and provide the
 1568 financial audit to the governing board of the charter school or

1569 charter technical career center, as appropriate, the sponsor,
 1570 and the Commissioner of Education within 7 working days after
 1571 the finding is made.

1572 (3) REPORT.--The Commissioner of Education shall annually
 1573 report to the State Board of Education each charter school and
 1574 charter technical career center that is subject to a financial
 1575 recovery plan or a corrective action plan under this section.

1576 (4) RULES.--The State Board of Education shall adopt rules
 1577 for developing financial recovery and corrective action plans.

1578 (5) TECHNICAL ASSISTANCE.--The Department of Education
 1579 shall provide technical assistance to charter schools, charter
 1580 technical career centers, governing boards, and sponsors in
 1581 developing financial recovery and corrective action plans.

1582 (6) FAILURE TO CORRECT DEFICIENCIES.--The sponsor may
 1583 choose not to renew or may terminate a charter if the charter
 1584 school or charter technical career center fails to correct the
 1585 deficiencies noted in the corrective action plan within 1 year
 1586 or exhibits one or more financial emergency conditions as
 1587 provided in s. 218.503 for 2 consecutive years.

1588 Section 11. Subsection (2) of section 1011.71, Florida
 1589 Statutes, is amended to read:

1590 1011.71 District school tax.--

1591 (2) In addition to the maximum millage levy as provided in
 1592 subsection (1), each school board may levy not more than 2 mills
 1593 against the taxable value for school purposes for district
 1594 schools, including charter schools. Each school board shall
 1595 allocate to charter schools an amount equal to \$50 per
 1596 unweighted full-time equivalent student in a charter school from

1597 the revenue generated under this subsection. Revenue under this
 1598 subsection may be used ~~at the discretion of the school board,~~ to
 1599 fund:

1600 (a) New construction and remodeling projects, as set forth
 1601 in s. 1013.64(3)(b) and (6)(b) and included in the district's
 1602 educational plant survey pursuant to s. 1013.31, without regard
 1603 to prioritization, sites and site improvement or expansion to
 1604 new sites, existing sites, auxiliary facilities, athletic
 1605 facilities, or ancillary facilities.

1606 (b) Maintenance, renovation, and repair of existing school
 1607 plants or of leased facilities to correct deficiencies pursuant
 1608 to s. 1013.15(2).

1609 (c) The purchase, lease-purchase, or lease of school
 1610 buses.

1611 (d) The purchase, lease-purchase, or lease of new and
 1612 replacement equipment.

1613 (e) Payments for educational facilities and sites due
 1614 under a lease-purchase agreement entered into by a district
 1615 school board pursuant to s. 1003.02(1)(f) or s. 1013.15(2), not
 1616 exceeding, in the aggregate, an amount equal to three-fourths of
 1617 the proceeds from the millage levied by a district school board
 1618 pursuant to this subsection.

1619 (f) Payment of loans approved pursuant to ss. 1011.14 and
 1620 1011.15.

1621 (g) Payment of costs directly related to complying with
 1622 state and federal environmental statutes, rules, and regulations
 1623 governing school facilities.

1624 (h) Payment of costs of leasing relocatable educational

1625 facilities, of renting or leasing educational facilities and
 1626 sites pursuant to s. 1013.15(2), or of renting or leasing
 1627 buildings or space within existing buildings pursuant to s.
 1628 1013.15(4).

1629 (i) Payment of the cost of school buses when a school
 1630 district contracts with a private entity to provide student
 1631 transportation services if the district meets the requirements
 1632 of this paragraph.

1633 1. The district's contract must require that the private
 1634 entity purchase, lease-purchase, or lease, and operate and
 1635 maintain, one or more school buses of a specific type and size
 1636 that meet the requirements of s. 1006.25.

1637 2. Each such school bus must be used for the daily
 1638 transportation of public school students in the manner required
 1639 by the school district.

1640 3. Annual payment for each such school bus may not exceed
 1641 10 percent of the purchase price of the state pool bid.

1642 4. The proposed expenditure of the funds for this purpose
 1643 must have been included in the district school board's notice of
 1644 proposed tax for school capital outlay as provided in s.
 1645 200.065(10).

1646 (j) Payment of the cost of the opening day collection for
 1647 the library media center of a new school.

1648 Section 12. Paragraph (f) is added to subsection (2) of
 1649 section 1013.62, Florida Statutes, to read:

1650 1013.62 Charter schools capital outlay funding.--

1651 (2) A charter school's governing body may use charter
 1652 school capital outlay funds for the following purposes:

1653 (f) Any of the purposes set forth in s. 1011.71(2).

1654
 1655 Conversion charter schools may use capital outlay funds received
 1656 through the reduction in the administrative fee provided in s.
 1657 1002.33(20) for renovation, repair, and maintenance of school
 1658 facilities that are owned by the sponsor.

1659 Section 13. Subsection (1) of section 1013.735, Florida
 1660 Statutes, is amended to read:

1661 1013.735 Classrooms for Kids Program.

1662 (1) ALLOCATION.--The department shall allocate funds
 1663 appropriated for the Classrooms for Kids Program. It is the
 1664 intent of the Legislature that this program be administered as
 1665 nearly as practicable in the same manner as the capital outlay
 1666 program authorized under s. 9(a), Art. XII of the State
 1667 Constitution. Each district school board's share of the annual
 1668 appropriation for the Classrooms for Kids Program must be
 1669 calculated according to the following formula:

1670 (a) Twenty-five percent of the appropriation shall be
 1671 prorated to the districts based on each district's percentage of
 1672 K-12 base capital outlay full-time equivalent membership,
 1673 including charter school full-time equivalent membership. Each
 1674 district shall provide each charter school within the district
 1675 with its proportionate share of funds under this paragraph.

1676 (b) Sixty-five ~~and 65~~ percent of the appropriation shall
 1677 be based on each district's percentage of K-12 growth capital
 1678 outlay full-time equivalent membership as specified for the
 1679 allocation of funds from the Public Education Capital Outlay and
 1680 Debt Service Trust Fund by s. 1013.64(3).

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1681 (c) ~~(b)~~ Ten percent of the appropriation must be allocated
1682 among district school boards according to the allocation formula
1683 in s. 1013.64(1)(a), excluding adult vocational technical
1684 facilities.

1685 Section 14. This act shall take effect July 1, 2008.