

1 A bill to be entitled
2 An act relating to charter schools; amending ss. 11.45,
3 218.39, 218.50, and 218.501, F.S., relating to audit
4 reports by the Auditor General; conforming provisions to
5 changes made by the act; amending ss. 218.503 and 218.504,
6 F.S.; providing that a charter technical career center is
7 subject to certain requirements in a financial emergency;
8 requiring that the sponsor be notified of certain
9 conditions; providing for the development of a financial
10 recovery plan, which may be approved by the Commissioner
11 of Education; amending s. 1002.33, F.S.; providing for
12 duties of a charter school sponsor and governing board if
13 a charter school or charter technical career center
14 experiences a deteriorating financial condition or is in a
15 financial emergency; specifying forms to be used by a
16 charter school applicant and sponsor; requiring applicant
17 training and documentation; updating cross-references
18 relating to high school graduation requirements;
19 conforming provisions relating to financial audits;
20 requiring charter schools to disclose the identity of
21 relatives of charter school personnel; authorizing the
22 commissioner to terminate charter for good cause shown by
23 sponsor; providing that the immediate termination of a
24 charter is exempt from requirements for an informal
25 hearing or for a hearing under ch. 120, F.S.; requiring
26 monthly financial statements; requiring governing board
27 members to attend specified training no more than once
28 every three years; permitting charter schools to provide

29 | an enrollment preference to students residing in
 30 | communities operated by a homeowner's or condominium
 31 | association under specified circumstances; requiring that
 32 | a charter school comply with constitutional limitations on
 33 | class size; requiring State Board of Education to adopt
 34 | rule providing for an annual assessment of sponsor
 35 | services; providing for the disclosure of the performance
 36 | of a charter school that is not given a school grade or
 37 | school improvement rating; requiring charter schools to
 38 | provide student assessment data to the public; providing
 39 | reporting requirements; providing restrictions for the
 40 | employment of relatives by charter school personnel;
 41 | providing an exception; requiring that members of a
 42 | charter school governing board follow certain standards of
 43 | conduct and, under specified circumstances, file a
 44 | disclosure of financial interests; amending s. 1002.34,
 45 | F.S.; providing additional duties for charter technical
 46 | career centers, applicants, sponsors, and governing
 47 | boards; requiring the Department of Education to offer or
 48 | arrange training and assistance to applicants for a
 49 | charter technical career center; requiring that an
 50 | applicant participate in the training; providing
 51 | restrictions on the employment of relatives; conforming
 52 | provisions relating to financial audits; requiring monthly
 53 | financial statements; requiring compliance with standards
 54 | of conduct and disclosure of financial interests; creating
 55 | s. 1002.345, F.S.; establishing criteria and requirements
 56 | for charter schools and charter technical career centers

57 | that have a deteriorating financial condition or are in a
 58 | state of financial emergency; establishing requirements
 59 | for charter schools, charter technical career centers,
 60 | governing bodies, and sponsors; providing for corrective
 61 | action and financial recovery plans; providing for duties
 62 | of auditors, the Commissioner of Education, and the
 63 | Department of Education; requiring the State Board of
 64 | Education to adopt rules; providing grounds for
 65 | termination or nonrenewal of a charter; amending s.
 66 | 1013.62, F.S.; expanding purposes for which charter school
 67 | capital outlay funds may be used; providing an effective
 68 | date.

69 |

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

71 |

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

74 | 11.45 Definitions; duties; authorities; reports; rules.--

75 | (7) AUDITOR GENERAL REPORTING REQUIREMENTS.--

76 | (e) The Auditor General shall notify the Governor or the
 77 | Commissioner of Education, as appropriate, and the Legislative
 78 | Auditing Committee of any audit report reviewed by the Auditor
 79 | General pursuant to paragraph (b) which contains a statement
 80 | that a local governmental entity, charter school, charter
 81 | technical career center, or district school board has met one or
 82 | more of the conditions specified in s. 218.503. If the Auditor
 83 | General requests a clarification regarding information included
 84 | in an audit report to determine whether a local governmental

85 entity, charter school, charter technical career center, or
 86 district school board has met one or more of the conditions
 87 specified in s. 218.503, the requested clarification must be
 88 provided within 45 days after the date of the request. If the
 89 local governmental entity, charter school, charter technical
 90 career center, or district school board does not comply with the
 91 Auditor General's request, the Auditor General shall notify the
 92 Legislative Auditing Committee. If, after obtaining the
 93 requested clarification, the Auditor General determines that the
 94 local governmental entity, charter school, charter technical
 95 career center, or district school board has met one or more of
 96 the conditions specified in s. 218.503, he or she shall notify
 97 the Governor or the Commissioner of Education, as appropriate,
 98 and the Legislative Auditing Committee.

99 (8) RULES OF THE AUDITOR GENERAL.--The Auditor General, in
 100 consultation with the Board of Accountancy, shall adopt rules
 101 for the form and conduct of all financial audits performed by
 102 independent certified public accountants pursuant to ss.
 103 215.981, 218.39, 1001.453, 1004.28, and 1004.70. The rules for
 104 audits of local governmental entities, charter schools, charter
 105 technical career centers, and district school boards must
 106 include, but are not limited to, requirements for the reporting
 107 of information necessary to carry out the purposes of the Local
 108 Governmental Entity, Charter School, Charter Technical Career
 109 Center, and District School Board Financial Emergencies Act as
 110 stated in s. 218.501.

111 Section 2. Subsection (5) of section 218.39, Florida
 112 Statutes, is amended to read:

113 218.39 Annual financial audit reports.--
 114 (5) At the conclusion of the audit, the auditor shall
 115 discuss with the chair of each local governmental entity or the
 116 chair's designee, or with the elected official of each county
 117 agency or with the elected official's designee, or with the
 118 chair of the district school board or the chair's designee, or
 119 with the chair of the board of the charter school or the chair's
 120 designee, or with the chair of the charter technical career
 121 center or the chair's designee, as appropriate, all of the
 122 auditor's comments that will be included in the audit report. If
 123 the officer is not available to discuss the auditor's comments,
 124 their discussion is presumed when the comments are delivered in
 125 writing to his or her office. The auditor shall notify each
 126 member of the governing body of a local governmental entity,
 127 district school board, ~~or~~ charter school, or charter technical
 128 career center for which deteriorating financial conditions exist
 129 that may cause a condition described in s. 218.503(1) to occur
 130 if actions are not taken to address such conditions.

131 Section 3. Section 218.50, Florida Statutes, is amended to
 132 read:

133 218.50 Short title.--Sections 218.50-218.504 may be cited
 134 as the "Local Governmental Entity, Charter School, Charter
 135 Technical Career Center, and District School Board Financial
 136 Emergencies Act."

137 Section 4. Section 218.501, Florida Statutes, is amended
 138 to read:

139 218.501 Purposes.--The purposes of ss. 218.50-218.504 are:
 140 (1) To promote the fiscal responsibility of local

141 governmental entities, charter schools, charter technical career
 142 centers, and district school boards.

143 (2) To assist local governmental entities, charter
 144 schools, charter technical career centers, and district school
 145 boards in providing essential services without interruption and
 146 in meeting their financial obligations.

147 (3) To assist local governmental entities, charter
 148 schools, charter technical career centers, and district school
 149 boards through the improvement of local financial management
 150 procedures.

151 Section 5. Subsections (1), (2), (3), and (4) of section
 152 218.503, Florida Statutes, are amended to read:

153 218.503 Determination of financial emergency.--

154 (1) Local governmental entities, charter schools, charter
 155 technical career centers, and district school boards shall be
 156 subject to review and oversight by the Governor, the charter
 157 school sponsor, the charter technical career center sponsor, or
 158 the Commissioner of Education, as appropriate, when any one of
 159 the following conditions occurs:

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

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

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

169 1. Taxes withheld on the income of employees; or
 170 2. Employer and employee contributions for:
 171 a. Federal social security; or
 172 b. Any pension, retirement, or benefit plan of an
 173 employee.
 174 (d) Failure for one pay period to pay, due to lack of
 175 funds:
 176 1. Wages and salaries owed to employees; or
 177 2. Retirement benefits owed to former employees.
 178 (e) An unreserved or total fund balance or retained
 179 earnings deficit, or unrestricted or total net assets deficit,
 180 as reported on the balance sheet or statement of net assets on
 181 the general purpose or fund financial statements, for which
 182 sufficient resources of the local governmental entity, charter
 183 school, charter technical career center, or district school
 184 board, as reported on the balance sheet or statement of net
 185 assets on the general purpose or fund financial statements, are
 186 not available to cover the deficit. Resources available to cover
 187 reported deficits include net assets that are not otherwise
 188 restricted by federal, state, or local laws, bond covenants,
 189 contractual agreements, or other legal constraints. Fixed or
 190 capital assets, the disposal of which would impair the ability
 191 of a local governmental entity, charter school, charter
 192 technical career center, or district school board to carry out
 193 its functions, are not considered resources available to cover
 194 reported deficits.
 195 (2) A local governmental entity shall notify the Governor
 196 and the Legislative Auditing Committee, a charter school shall

197 | notify the charter school sponsor, the Commissioner of
 198 | Education, and the Legislative Auditing Committee, a charter
 199 | technical career center shall notify the charter technical
 200 | career center sponsor, the Commissioner of Education, and the
 201 | Legislative Auditing Committee, and a district school board
 202 | shall notify the Commissioner of Education and the Legislative
 203 | Auditing Committee, when one or more of the conditions specified
 204 | in subsection (1) have occurred or will occur if action is not
 205 | taken to assist the local governmental entity, charter school,
 206 | charter technical career center, or district school board. In
 207 | addition, any state agency must, within 30 days after a
 208 | determination that one or more of the conditions specified in
 209 | subsection (1) have occurred or will occur if action is not
 210 | taken to assist the local governmental entity, charter school,
 211 | charter technical career center, or district school board,
 212 | notify the Governor, charter school sponsor, charter technical
 213 | career center sponsor, or the Commissioner of Education, as
 214 | appropriate, and the Legislative Auditing Committee.

215 | (3) Upon notification that one or more of the conditions
 216 | in subsection (1) have occurred or will occur if action is not
 217 | taken to assist the local governmental entity or district school
 218 | board exist, the Governor or his or her designee shall contact
 219 | the local governmental entity or the Commissioner of Education
 220 | or his or her designee shall contact the district school board
 221 | to determine what actions have been taken by the local
 222 | governmental entity or the district school board to resolve or
 223 | prevent the condition. The Governor or the Commissioner of
 224 | Education, as appropriate, shall determine whether the local

225 governmental entity or the district school board needs state
 226 assistance to resolve or prevent the condition. If state
 227 assistance is needed, the local governmental entity or district
 228 school board is considered to be in a state of financial
 229 emergency. The Governor or the Commissioner of Education, as
 230 appropriate, has the authority to implement measures as set
 231 forth in ss. 218.50-218.504 to assist the local governmental
 232 entity or district school board in resolving the financial
 233 emergency. Such measures may include, but are not limited to:

234 (a) Requiring approval of the local governmental entity's
 235 budget by the Governor or approval of the district school
 236 board's budget by the Commissioner of Education.

237 (b) Authorizing a state loan to a local governmental
 238 entity and providing for repayment of same.

239 (c) Prohibiting a local governmental entity or district
 240 school board from issuing bonds, notes, certificates of
 241 indebtedness, or any other form of debt until such time as it is
 242 no longer subject to this section.

243 (d) Making such inspections and reviews of records,
 244 information, reports, and assets of the local governmental
 245 entity or district school board. The appropriate local officials
 246 shall cooperate in such inspections and reviews.

247 (e) Consulting with officials and auditors of the local
 248 governmental entity or the district school board and the
 249 appropriate state officials regarding any steps necessary to
 250 bring the books of account, accounting systems, financial
 251 procedures, and reports into compliance with state requirements.

252 (f) Providing technical assistance to the local

253 governmental entity or the district school board.

254 (g)1. Establishing a financial emergency board to oversee
 255 the activities of the local governmental entity or the district
 256 school board. If a financial emergency board is established for
 257 a local governmental entity, the Governor shall appoint board
 258 members and select a chair. If a financial emergency board is
 259 established for a district school board, the State Board of
 260 Education shall appoint board members and select a chair. The
 261 financial emergency board shall adopt such rules as are
 262 necessary for conducting board business. The board may:

263 a. Make such reviews of records, reports, and assets of
 264 the local governmental entity or the district school board as
 265 are needed.

266 b. Consult with officials and auditors of the local
 267 governmental entity or the district school board and the
 268 appropriate state officials regarding any steps necessary to
 269 bring the books of account, accounting systems, financial
 270 procedures, and reports of the local governmental entity or the
 271 district school board into compliance with state requirements.

272 c. Review the operations, management, efficiency,
 273 productivity, and financing of functions and operations of the
 274 local governmental entity or the district school board.

275 2. The recommendations and reports made by the financial
 276 emergency board must be submitted to the Governor for local
 277 governmental entities or to the Commissioner of Education and
 278 the State Board of Education for district school boards for
 279 appropriate action.

280 (h) Requiring and approving a plan, to be prepared by

281 officials of the local governmental entity or the district
 282 school board in consultation with the appropriate state
 283 officials, prescribing actions that will cause the local
 284 governmental entity or district school board to no longer be
 285 subject to this section. The plan must include, but need not be
 286 limited to:

287 1. Provision for payment in full of obligations outlined
 288 in subsection (1), designated as priority items, that are
 289 currently due or will come due.

290 2. Establishment of priority budgeting or zero-based
 291 budgeting in order to eliminate items that are not affordable.

292 3. The prohibition of a level of operations which can be
 293 sustained only with nonrecurring revenues.

294 (4) (a) Upon notification that one or more of the
 295 conditions in subsection (1) have occurred or will occur if
 296 action is not taken to assist the charter school ~~exist~~, the
 297 charter school sponsor or the sponsor's designee and the
 298 Commissioner of Education shall contact the charter school
 299 governing body to determine what actions have been taken by the
 300 charter school governing body to resolve or prevent the
 301 condition. The Commissioner of Education ~~charter school sponsor~~
 302 has the authority to require and approve a financial recovery
 303 plan, to be prepared by the charter school governing body,
 304 prescribing actions that will resolve or prevent the condition
 305 ~~cause the charter school to no longer be subject to this~~
 306 ~~section. The Department of Education shall establish guidelines~~
 307 ~~for developing such plans.~~

308 (b) Upon notification that one or more of the conditions

309 | in subsection (1) have occurred or will occur if action is not
 310 | taken to assist the charter technical career center, the charter
 311 | technical career center sponsor or the sponsor's designee and
 312 | the Commissioner of Education shall contact the charter
 313 | technical career center governing body to determine what actions
 314 | have been taken by the governing body to resolve or prevent the
 315 | condition. The Commissioner of Education may require and approve
 316 | a financial recovery plan, to be prepared by the charter
 317 | technical career center governing body, prescribing actions that
 318 | will resolve or prevent the condition.

319 | (c) The Commissioner of Education shall determine if the
 320 | charter school or charter technical career center needs a
 321 | financial recovery plan to resolve the condition. If the
 322 | Commissioner of Education determines that a financial recovery
 323 | plan is needed, the charter school or charter technical career
 324 | center is considered to be in a state of financial emergency.

325 |
 326 | The Department of Education, with the involvement of sponsors,
 327 | charter schools, and charter technical career centers, shall
 328 | establish guidelines for developing a financial recovery plan.

329 | Section 6. Section 218.504, Florida Statutes, is amended
 330 | to read:

331 | 218.504 Cessation of state action.--The Governor or the
 332 | Commissioner of Education, as appropriate, has the authority to
 333 | terminate all state actions pursuant to ss. 218.50-218.504.
 334 | Cessation of state action must not occur until the Governor or
 335 | the Commissioner of Education, as appropriate, has determined
 336 | that:

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

339 (a) Has established and is operating an effective
 340 financial accounting and reporting system.

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

342 (2) None of the conditions outlined in s. 218.503(1)
 343 exists.

344 Section 7. Paragraph (b) of subsection (5), paragraphs
 345 (a), (b), and (g) of subsection (6), paragraph (a) of subsection
 346 (7), paragraphs (a) and (d) of subsection (8), paragraphs (g)
 347 through (q) of subsection (9), paragraph (d) of subsection (10),
 348 subsection (16), paragraph (a) of subsection (20), and
 349 subsections (21) and (23) of section 1002.33, Florida Statutes,
 350 are amended, present subsection (24) of that section is
 351 redesignated as subsection (26), and new subsections (24) and
 352 (25) are added to that section, to read:

353 1002.33 Charter schools.--

354 (5) SPONSOR; DUTIES.--

355 (b) *Sponsor duties*.--

356 1.a. The sponsor shall monitor and review the charter
 357 school in its progress toward the goals established in the
 358 charter.

359 b. The sponsor shall monitor the revenues and expenditures
 360 of the charter school and perform the duties provided in s.
 361 1002.345.

362 c. The sponsor may approve a charter for a charter school
 363 before the applicant has secured space, equipment, or personnel,
 364 if the applicant indicates approval is necessary for it to raise

365 working funds.

366 d. The sponsor's policies shall not apply to a charter
 367 school unless mutually agreed to by both the sponsor and the
 368 charter school.

369 e. The sponsor shall ensure that the charter is innovative
 370 and consistent with the state education goals established by s.
 371 1000.03(5).

372 f. The sponsor shall ensure that the charter school
 373 participates in the state's education accountability system. If
 374 a charter school falls short of performance measures included in
 375 the approved charter, the sponsor shall report such shortcomings
 376 to the Department of Education.

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

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

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

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

389 2. Immunity for the sponsor of a charter school under
 390 subparagraph 1. applies only with respect to acts or omissions
 391 not under the sponsor's direct authority as described in this
 392 section.

393 3. ~~Nothing contained in~~ This paragraph does not waive
 394 ~~shall be considered a waiver of sovereign immunity by a district~~
 395 ~~school board's sovereign immunity board.~~

396 4. A community college may work with the school district
 397 or school districts in its designated service area to develop
 398 charter schools that offer secondary education. These charter
 399 schools must include an option for students to receive an
 400 associate degree upon high school graduation. District school
 401 boards shall cooperate with and assist the community college on
 402 the charter application. Community college applications for
 403 charter schools are not subject to the time deadlines outlined
 404 in subsection (6) and may be approved by the district school
 405 board at any time during the year. Community colleges may ~~shall~~
 406 not report FTE for any students who receive FTE funding through
 407 the Florida Education Finance Program.

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

410 (a) A person or entity wishing to open a charter school
 411 shall prepare and submit an application on a model application
 412 form prepared by the Department of Education which ~~that~~:

413 1. Demonstrates how the school will use the guiding
 414 principles and meet the statutorily defined purpose of a charter
 415 school.

416 2. Provides a detailed curriculum plan that illustrates
 417 how students will be provided services to attain the Sunshine
 418 State Standards.

419 3. Contains goals and objectives for improving student
 420 learning and measuring that improvement. These goals and

421 objectives must indicate how much academic improvement students
422 are expected to show each year, how success will be evaluated,
423 and the specific results to be attained through instruction.

424 4. Describes the reading curriculum and differentiated
425 strategies that will be used for students reading at grade level
426 or higher and a separate curriculum and strategies for students
427 who are reading below grade level. A sponsor shall deny a
428 charter if the school does not propose a reading curriculum that
429 is consistent with effective teaching strategies that are
430 grounded in scientifically based reading research.

431 5. Contains an annual financial plan for each year
432 requested by the charter for operation of the school for up to 5
433 years. This plan must contain anticipated fund balances based on
434 revenue projections, a spending plan based on projected revenues
435 and expenses, and a description of controls that will safeguard
436 finances and projected enrollment trends.

437 6. Documents that the applicant has participated in the
438 training required in subparagraph (g)2.

439 (b) A sponsor shall receive and review all applications
440 for a charter school using an evaluation instrument developed by
441 the Department of Education. Beginning with the 2007-2008 school
442 year, a sponsor shall receive and consider charter school
443 applications received on or before August 1 of each calendar
444 year for charter schools to be opened at the beginning of the
445 school district's next school year, or to be opened at a time
446 agreed to by the applicant and the sponsor. A sponsor may
447 receive applications later than this date if it chooses. A
448 sponsor may not charge an applicant for a charter any fee for

449 the processing or consideration of an application, and a sponsor
 450 may not base its consideration or approval of an application
 451 upon the promise of future payment of any kind.

452 1. In order to facilitate an accurate budget projection
 453 process, a sponsor shall be held harmless for FTE students who
 454 are not included in the FTE projection due to approval of
 455 charter school applications after the FTE projection deadline.
 456 In a further effort to facilitate an accurate budget projection,
 457 within 15 calendar days after receipt of a charter school
 458 application, a sponsor shall report to the Department of
 459 Education the name of the applicant entity, the proposed charter
 460 school location, and its projected FTE.

461 2. In order to ensure fiscal responsibility, an
 462 application for a charter school shall include a full accounting
 463 of expected assets, a projection of expected sources and amounts
 464 of income, including income derived from projected student
 465 enrollments and from community support, and an expense
 466 projection that includes full accounting of the costs of
 467 operation, including start-up costs.

468 3. A sponsor shall by a majority vote approve or deny an
 469 application no later than 60 calendar days after the application
 470 is received, unless the sponsor and the applicant mutually agree
 471 in writing to temporarily postpone the vote to a specific date,
 472 at which time the sponsor shall by a majority vote approve or
 473 deny the application. If the sponsor fails to act on the
 474 application, an applicant may appeal to the State Board of
 475 Education as provided in paragraph (c). If an application is
 476 denied, the sponsor shall, within 10 calendar days after such

477 denial, articulate in writing the specific reasons, based upon
 478 good cause, supporting its denial of the charter application and
 479 shall provide the letter of denial and supporting documentation
 480 to the applicant and to the Department of Education supporting
 481 those reasons.

482 4. For budget projection purposes, the sponsor shall
 483 report to the Department of Education the approval or denial of
 484 a charter application within 10 calendar days after such
 485 approval or denial. In the event of approval, the report to the
 486 Department of Education shall include the final projected FTE
 487 for the approved charter school.

488 5. Upon approval of a charter application, the initial
 489 startup shall commence with the beginning of the public school
 490 calendar for the district in which the charter is granted unless
 491 the sponsor allows a waiver of this subparagraph ~~provision~~ for
 492 good cause.

493 (g)1. The Department of Education shall offer or arrange
 494 for training and technical assistance to charter school
 495 applicants in developing business plans and estimating costs and
 496 income. This assistance shall address estimating startup costs,
 497 projecting enrollment, and identifying the types and amounts of
 498 state and federal financial assistance the charter school may
 499 ~~will~~ be eligible to receive. The department may provide other
 500 technical assistance to an applicant upon written request.

501 2. A charter school applicant must participate in the
 502 training provided by the Department of Education before filing
 503 an application. However, a sponsor may require the charter
 504 school applicant to attend training provided by the sponsor in

505 lieu of the department's training if the sponsor's training
 506 standards meet or exceed the standards developed by the
 507 Department of Education. The training shall include instruction
 508 in accurate financial planning and good business practices. If
 509 the applicant is a management company or other nonprofit
 510 organization, the charter school principal and the chief
 511 financial officer must also participate in the training.

512 (7) CHARTER.--The major issues involving the operation of
 513 a charter school shall be considered in advance and written into
 514 the charter. The charter shall be signed by the governing body
 515 of the charter school and the sponsor, following a public
 516 hearing to ensure community input.

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

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

521 2. The focus of the curriculum, the instructional methods
 522 to be used, any distinctive instructional techniques to be
 523 employed, and identification and acquisition of appropriate
 524 technologies needed to improve educational and administrative
 525 performance which include a means for promoting safe, ethical,
 526 and appropriate uses of technology which comply with legal and
 527 professional standards. The charter shall ensure that reading is
 528 a primary focus of the curriculum and that resources are
 529 provided to identify and provide specialized instruction for
 530 students who are reading below grade level. The curriculum and
 531 instructional strategies for reading must be consistent with the
 532 Sunshine State Standards and grounded in scientifically based

533 reading research.

534 3. The current incoming baseline standard of student
 535 academic achievement, the outcomes to be achieved, and the
 536 method of measurement that will be used. The criteria listed in
 537 this subparagraph shall include a detailed description ~~for each~~
 538 of ~~the following~~:

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

541 b. How these baseline rates will be compared to rates of
 542 academic progress achieved by these same students while
 543 attending the charter school.

544 c. To the extent possible, how these rates of progress
 545 will be evaluated and compared with rates of progress of other
 546 closely comparable student populations.

547
 548 The district school board is required to provide academic
 549 student performance data to charter schools for each of their
 550 students coming from the district school system, as well as
 551 rates of academic progress of comparable student populations in
 552 the district school system.

553 4. The methods used to identify the educational strengths
 554 and needs of students and how well educational goals and
 555 performance standards are met by students attending the charter
 556 school. ~~Included in~~ The methods shall provide ~~is~~ a means for the
 557 charter school to ensure accountability to its constituents by
 558 analyzing student performance data and by evaluating the
 559 effectiveness and efficiency of its major educational programs.
 560 Students in charter schools shall, at a minimum, participate in

561 the statewide assessment program created under s. 1008.22.

562 5. In secondary charter schools, a method for determining
 563 that a student has satisfied the requirements for graduation in
 564 s. 1003.428, s. 1003.429, or s. 1003.43.

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

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

569 8. The ways by which the school will achieve a
 570 racial/ethnic balance reflective of the community it serves or
 571 within the racial/ethnic range of other public schools in the
 572 same school district.

573 9. The financial and administrative management of the
 574 school, including a reasonable demonstration of the professional
 575 experience or competence of those individuals or organizations
 576 applying to operate the charter school or those hired or
 577 retained to perform such professional services and the
 578 description of clearly delineated responsibilities and the
 579 policies and practices needed to effectively manage the charter
 580 school. A description of internal audit procedures and
 581 establishment of controls to ensure that financial resources are
 582 properly managed must be included. Both public sector and
 583 private sector professional experience shall be equally valid in
 584 such a consideration.

585 10. The asset and liability projections required in the
 586 application which are incorporated into the charter and ~~which~~
 587 shall be compared with information provided in the annual report
 588 of the charter school. ~~The charter shall ensure that, if a~~

589 ~~charter school internal audit or annual financial audit reveals~~
 590 ~~a state of financial emergency as defined in s. 218.503 or~~
 591 ~~deficit financial position, the auditors are required to notify~~
 592 ~~the charter school governing board, the sponsor, and the~~
 593 ~~Department of Education. The internal auditor shall report such~~
 594 ~~findings in the form of an exit interview to the principal or~~
 595 ~~the principal administrator of the charter school and the chair~~
 596 ~~of the governing board within 7 working days after finding the~~
 597 ~~state of financial emergency or deficit position. A final report~~
 598 ~~shall be provided to the entire governing board, the sponsor,~~
 599 ~~and the Department of Education within 14 working days after the~~
 600 ~~exit interview. When a charter school is in a state of financial~~
 601 ~~emergency, the charter school shall file a detailed financial~~
 602 ~~recovery plan with the sponsor. The department, with the~~
 603 ~~involvement of both sponsors and charter schools, shall~~
 604 ~~establish guidelines for developing such plans.~~

605 11. A description of procedures that identify various
 606 risks and provide for a comprehensive approach to reduce the
 607 impact of losses; plans to ensure the safety and security of
 608 students and staff; plans to identify, minimize, and protect
 609 others from violent or disruptive student behavior; and the
 610 manner in which the school will be insured, including whether or
 611 not the school will be required to have liability insurance,
 612 and, if so, the terms and conditions thereof and the amounts of
 613 coverage.

614 12. The term of the charter which shall provide for
 615 cancellation of the charter if insufficient progress has been
 616 made in attaining the student achievement objectives of the

617 charter and if it is not likely that such objectives can be
 618 achieved before expiration of the charter. The initial term of a
 619 charter shall be for 4 or 5 years. In order to facilitate access
 620 to long-term financial resources for charter school
 621 construction, charter schools that are operated by a
 622 municipality or other public entity as provided by law are
 623 eligible for up to a 15-year charter, subject to approval by the
 624 district school board. A charter lab school is eligible for a
 625 charter for a term of up to 15 years. In addition, to facilitate
 626 access to long-term financial resources for charter school
 627 construction, charter schools that are operated by a private,
 628 not-for-profit, s. 501(c)(3) status corporation are eligible for
 629 up to a 15-year charter, subject to approval by the district
 630 school board. Such long-term charters remain subject to annual
 631 review and may be terminated during the term of the charter, but
 632 only according to the provisions set forth in subsection (8).

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

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

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

640 16. A timetable for implementing the charter which
 641 addresses the implementation of each element thereof and the
 642 date by which the charter shall be awarded in order to meet this
 643 timetable.

644 17. In the case of an existing public school that is being

645 converted to charter status, alternative arrangements for
 646 current students who choose not to attend the charter school and
 647 for current teachers who choose not to teach in the charter
 648 school after conversion in accordance with the existing
 649 collective bargaining agreement or district school board rule in
 650 the absence of a collective bargaining agreement. However,
 651 alternative arrangements shall not be required for current
 652 teachers who choose not to teach in a charter lab school, except
 653 as authorized by the employment policies of the state university
 654 which grants the charter to the lab school.

655 18. Full disclosure of the identity of all relatives
 656 employed by the charter school who are related to the charter
 657 school owner, president, chairperson of the governing board of
 658 directors, superintendent, governing board member, principal,
 659 assistant principal, or any other person employed by the charter
 660 school who has equivalent decisionmaking authority. For the
 661 purpose of this subparagraph, the term "relative" means father,
 662 mother, son, daughter, brother, sister, uncle, aunt, first
 663 cousin, nephew, niece, husband, wife, father-in-law, mother-in-
 664 law, son-in-law, daughter-in-law, brother-in-law, sister-in-law,
 665 stepfather, stepmother, stepson, stepdaughter, stepbrother,
 666 stepsister, half brother, or half sister.

667 (8) CAUSES FOR NONRENEWAL OR TERMINATION OF CHARTER.--

668 (a) 1. The sponsor may choose not to renew or may terminate
 669 the charter for any of the following grounds:

670 a. 1. Failure to participate in the state's education
 671 accountability system created in s. 1008.31, as required in this
 672 section, or failure to meet the requirements for student

673 performance stated in the charter.

674 b. 2. Failure to meet generally accepted standards of
675 fiscal management.

676 c. 3. Violation of law.

677 ~~4. Other good cause shown.~~

678 2. The sponsor may show other good cause to not renew or
679 terminate a charter to the Commissioner of Education who may
680 terminate the charter on this basis.

681 (d) A charter may be terminated immediately if the sponsor
682 determines that good cause has been shown or if the health,
683 safety, or welfare of the students is threatened. The sponsor's
684 determination is not subject to an informal hearing under
685 paragraph (b) or pursuant to chapter 120. The sponsor shall
686 notify in writing the charter school's governing body, the
687 charter school principal, and the department if a charter is
688 immediately terminated. The sponsor shall clearly identify the
689 specific issues that resulted in the immediate termination and
690 provide evidence of prior notification of issues resulting in
691 the immediate termination when appropriate. The school district
692 in which the charter school is located shall assume operation of
693 the school under these circumstances. The charter school's
694 governing board may, within 30 days after receiving the
695 sponsor's decision to terminate the charter, appeal the decision
696 pursuant to the procedure established in subsection (6).

697 (9) CHARTER SCHOOL REQUIREMENTS.--

698 ~~(g) A charter school shall provide for an annual financial~~
699 ~~audit in accordance with s. 218.39. Financial audits that reveal~~
700 ~~a state of financial emergency as defined in s. 218.503 and are~~

701 ~~conducted by a certified public accountant or auditor in~~
 702 ~~accordance with s. 218.39 shall be provided to the governing~~
 703 ~~body of the charter school within 7 working days after finding~~
 704 ~~that a state of financial emergency exists. When a charter~~
 705 ~~school is found to be in a state of financial emergency by a~~
 706 ~~certified public accountant or auditor, the charter school must~~
 707 ~~file a detailed financial recovery plan with the sponsor within~~
 708 ~~30 days after receipt of the audit.~~

709 (g) ~~(h)~~ In order to provide financial information that is
 710 comparable to that reported for other public schools, charter
 711 schools are to maintain all financial records that ~~which~~
 712 constitute their accounting system:

713 1. In accordance with the accounts and codes prescribed in
 714 the most recent issuance of the publication titled "Financial
 715 and Program Cost Accounting and Reporting for Florida Schools";
 716 or

717 2. At the discretion of the charter school governing
 718 board, a charter school may elect to follow generally accepted
 719 accounting standards for not-for-profit organizations, but must
 720 reformat this information for reporting according to this
 721 paragraph.

722
 723 Charter schools shall provide annual financial report and
 724 program cost report information in the state-required formats
 725 for inclusion in district reporting in compliance with s.
 726 1011.60(1). Charter schools that are operated by a municipality
 727 or are a component unit of a parent nonprofit organization may
 728 use the accounting system of the municipality or the parent but

729 must reformat this information for reporting according to this
 730 paragraph. A charter school shall provide a monthly financial
 731 statement to the sponsor. The content and form of the monthly
 732 financial statement shall be prescribed by the Department of
 733 Education.

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

736 ~~(i)-(j)~~ The governing body of the charter school shall
 737 exercise continuing oversight over charter school operations.

738 ~~(j)-(k)~~ The governing body of the charter school shall be
 739 responsible for:

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

744 2. Reviewing and approving the audit report, including
 745 audit findings and recommendations for the financial recovery
 746 plan.

747 3.a. Performing the duties in s. 1002.345, including
 748 monitoring a corrective action plan.

749 b. Monitoring a financial recovery plan in order to ensure
 750 compliance.

751 4. Participating in governance training approved by the
 752 department which ~~that~~ must include government in the sunshine,
 753 conflicts of interest, ethics, and financial responsibility.
 754 Members of the governing board shall not be required to attend
 755 governance training more than once every three years.

756 ~~(k)-(l)~~ The governing body of the charter school shall

757 | report its progress annually to its sponsor, which shall forward
758 | the report to the Commissioner of Education at the same time as
759 | other annual school accountability reports. The Department of
760 | Education shall develop a uniform, online annual accountability
761 | report to be completed by charter schools. This report shall be
762 | easy to utilize and contain demographic information, student
763 | performance data, and financial accountability information. A
764 | charter school shall not be required to provide information and
765 | data that is duplicative and already in the possession of the
766 | department. The Department of Education shall include in its
767 | compilation a notation if a school failed to file its report by
768 | the deadline established by the department. The report shall
769 | include at least the following components:

770 | 1. Student achievement performance data, including the
771 | information required for the annual school report and the
772 | education accountability system governed by ss. 1008.31 and
773 | 1008.345. Charter schools are subject to the same accountability
774 | requirements as other public schools, including reports of
775 | student achievement information that links baseline student data
776 | to the school's performance projections identified in the
777 | charter. The charter school shall identify reasons for any
778 | difference between projected and actual student performance.

779 | 2. Financial status of the charter school which must
780 | include revenues and expenditures at a level of detail that
781 | allows for analysis of the charter school's ability to meet
782 | financial obligations and timely repayment of debt.

783 | 3. Documentation of the facilities in current use and any
784 | planned facilities for use by the charter school for instruction

785 of students, administrative functions, or investment purposes.

786 4. Descriptive information about the charter school's
 787 personnel, including salary and benefit levels of charter school
 788 employees, the proportion of instructional personnel who hold
 789 professional or temporary certificates, and the proportion of
 790 instructional personnel teaching in-field or out-of-field.

791 (l)~~(m)~~ A charter school shall not levy taxes or issue
 792 bonds secured by tax revenues.

793 (m)~~(n)~~ A charter school shall provide instruction for at
 794 least the number of days required by law for other public
 795 schools~~r~~ and may provide instruction for additional days.

796 (n)~~(o)~~ The director and a representative of the governing
 797 body of a charter school that has received a school grade of "D"
 798 under s. 1008.34(2) shall appear before the sponsor or the
 799 sponsor's staff at least once a year to present information
 800 concerning each contract component having noted deficiencies.
 801 The sponsor shall communicate at the meeting, and in writing to
 802 the director, the services provided to the school to help the
 803 school address its deficiencies.

804 (o)~~(p)~~ Upon notification that a charter school receives a
 805 school grade of "D" for 2 consecutive years or a school grade of
 806 "F" under s. 1008.34(2), the charter school sponsor or the
 807 sponsor's staff shall require the director and a representative
 808 of the governing body to submit to the sponsor for approval a
 809 school improvement plan to raise student achievement and to
 810 implement the plan. The sponsor has the authority to approve a
 811 school improvement plan that the charter school will implement
 812 in the following school year. The sponsor may also consider the

813 State Board of Education's recommended action pursuant to s.
 814 1008.33(1) as part of the school improvement plan. The
 815 Department of Education shall offer technical assistance and
 816 training to the charter school and its governing body and
 817 establish guidelines for developing, submitting, and approving
 818 such plans.

819 1. If the charter school fails to improve its student
 820 performance from the year immediately prior to the
 821 implementation of the school improvement plan, the sponsor shall
 822 place the charter school on probation and shall require the
 823 charter school governing body to take one of the following
 824 corrective actions:

825 a. Contract for the educational services of the charter
 826 school;

827 b. Reorganize the school at the end of the school year
 828 under a new director or principal who is authorized to hire new
 829 staff and implement a plan that addresses the causes of
 830 inadequate progress; or

831 c. Reconstitute the charter school.

832 2. A charter school that is placed on probation shall
 833 continue the corrective actions required under subparagraph 1.
 834 until the charter school improves its student performance from
 835 the year prior to the implementation of the school improvement
 836 plan.

837 3. Notwithstanding any provision of this paragraph, the
 838 sponsor may terminate the charter at any time pursuant to ~~the~~
 839 ~~provisions of~~ subsection (8).

840 (p) ~~(a)~~ The director and a representative of the governing

841 body of a graded charter school that has submitted a school
 842 improvement plan or has been placed on probation under paragraph
 843 (o) ~~(p)~~ shall appear before the sponsor or the sponsor's staff
 844 at least once a year to present information regarding the
 845 corrective strategies that are being implemented by the school
 846 pursuant to the school improvement plan. The sponsor shall
 847 communicate at the meeting, and in writing to the director, the
 848 services provided to the school to help the school address its
 849 deficiencies.

850 (10) ELIGIBLE STUDENTS.--

851 (d) A charter school may give enrollment preference to the
 852 following student populations:

853 1. Students who are siblings of a student enrolled in the
 854 charter school.

855 2. Students who are the children of a member of the
 856 governing board of the charter school.

857 3. Students who are the children of an employee of the
 858 charter school.

859 4. Students who reside in a community operated by a:

860 a. Homeowner's association as defined in s. 720.301(9) if
 861 it permits the charter school to utilize a portion of the
 862 association's common area as defined in s. 720.301(2); or

863 b. Condominium association as defined in s. 718.103(2) if
 864 it permits the charter school to utilize a portion of the
 865 association's property as defined in s. 718.103(3).

866 (16) EXEMPTION FROM STATUTES.--

867 (a) A charter school shall operate in accordance with its
 868 charter and shall be exempt from all statutes in chapters 1000-

869 1013. However, a charter school shall be in compliance with the
 870 following statutes in chapters 1000-1013:

871 1. Those statutes specifically applying to charter
 872 schools, including this section.

873 2. Those statutes pertaining to the student assessment
 874 program and school grading system.

875 3. Those statutes pertaining to the provision of services
 876 to students with disabilities.

877 4. Those statutes pertaining to civil rights, including s.
 878 1000.05, relating to discrimination.

879 5. Those statutes pertaining to student health, safety,
 880 and welfare.

881 6. Those statutes pertaining to the constitutional class
 882 size maximums pursuant to s. 1, Art. IX of the State
 883 Constitution, including s. 1003.03.

884 (b) Additionally, a charter school shall be in compliance
 885 with the following statutes:

886 1. Section 286.011, relating to public meetings and
 887 records, public inspection, and criminal and civil penalties.

888 2. Chapter 119, relating to public records.

889 (20) SERVICES.--(a)1. A sponsor shall provide certain
 890 administrative and educational services to charter schools.
 891 These services shall include contract management services; full-
 892 time equivalent and data reporting services; exceptional student
 893 education administration services; services related to
 894 eligibility and reporting duties required to ensure that school
 895 lunch services under the federal lunch program, consistent with
 896 the needs of the charter school, are provided by the school

897 district at the request of the charter school; test
 898 administration services, including payment of the costs of
 899 state-required or district-required student assessments;
 900 processing of teacher certificate data services; and information
 901 services, including equal access to student information systems
 902 that are used by public schools in the district in which the
 903 charter school is located. Student performance data for each
 904 student in a charter school, including, but not limited to, FCAT
 905 scores, standardized test scores, previous public school student
 906 report cards, and student performance measures, shall be
 907 provided by the sponsor to a charter school in the same manner
 908 provided to other public schools in the district.

909 2. A total administrative fee for the provision of such
 910 services shall be calculated based upon up to 5 percent of the
 911 available funds defined in paragraph (17)(b) for all students.
 912 However, a sponsor may only withhold up to a 5-percent
 913 administrative fee for enrollment for up to and including 500
 914 students. For charter schools with a population of 501 or more
 915 students, the difference between the total administrative fee
 916 calculation and the amount of the administrative fee withheld
 917 may only be used for capital outlay purposes specified in s.
 918 1013.62(2). Each charter school shall receive 100 percent of the
 919 funds awarded to that school pursuant to s. 1012.225. Sponsors
 920 shall not charge charter schools any additional fees or
 921 surcharges for administrative and educational services in
 922 addition to the maximum 5-percent administrative fee withheld
 923 pursuant to this paragraph.

924 3. The department shall develop a process, which shall be

925 adopted by the State Board of Education in rule, to annually
 926 assess the provision of services by the sponsor under this
 927 paragraph. This process shall include: a survey to be completed
 928 by each charter school, which shall allow the school to identify
 929 its satisfaction with its sponsor's services and any areas of
 930 noncompliance with this paragraph; and an opportunity for each
 931 sponsor to respond the survey results. The department shall
 932 annually report the outcomes of this assessment to the State
 933 Board of Education.

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

935 (a) The Department of Education shall provide information
 936 to the public, directly and through sponsors, ~~both~~ on how to
 937 form and operate a charter school and ~~on~~ how to enroll in a
 938 charter school ~~schools~~ once it is ~~they are~~ created. This
 939 information shall include a standard application format, charter
 940 format, evaluation instrument, and charter renewal format, which
 941 shall include the information specified in subsection (7) and
 942 shall be developed by consulting and negotiating with both
 943 school districts and charter schools before implementation. The
 944 charter and charter renewal ~~These~~ formats shall be used as
 945 guidelines by charter school sponsors.

946 (b)1. The Department of Education shall report student
 947 assessment data pursuant to s. 1008.34(3)(c) which is reported
 948 to schools that receive a school grade or student assessment
 949 data pursuant to s. 1008.341(3) which is reported to alternative
 950 schools that receive a school improvement rating to each charter
 951 school that:

952 a. Does not receive a school grade pursuant to s. 1008.34

953 or a school improvement rating pursuant to s. 1008.341; and

954 b. Serves at least 10 students who are tested on the
 955 statewide assessment test pursuant to s. 1008.22.

956 2. The charter school shall report the information in
 957 subparagraph 1. to each parent of a student at the charter
 958 school, the parent of a child on a waiting list for the charter
 959 school, the district in which the charter school is located, and
 960 the governing board of the charter school. This paragraph does
 961 not abrogate the provisions of s. 1002.22, relating to student
 962 records, or the requirements of 20 U.S.C. s. 1232g, the Family
 963 Educational Rights and Privacy Act.

964 3.a. Pursuant to this paragraph, the Department of
 965 Education shall compare the charter school student performance
 966 data for each charter school in subparagraph 1. with the student
 967 performance data in traditional public schools in the district
 968 in which the charter school is located and other charter schools
 969 in the state. For alternative charter schools, the department
 970 shall compare the student performance data described in this
 971 paragraph with all alternative schools in the state. The
 972 comparative data shall be provided by the following grade
 973 groupings:

- 974 (I) Grades 3 through 5;
- 975 (II) Grades 6 through 8; and
- 976 (III) Grades 9 through 11.

977 b. Each charter school shall provide the information
 978 specified in this paragraph on its Internet website and also
 979 provide notice to the public at large in a manner provided by
 980 the rules of the State Board of Education. The State Board of

981 Education shall adopt rules to administer the notice
 982 requirements of this subparagraph pursuant to ss. 120.536(1) and
 983 120.54. The website shall include, through links or actual
 984 content, other information related to school performance.

985 (23) ANALYSIS OF CHARTER SCHOOL PERFORMANCE.--Upon receipt
 986 of the annual report required by paragraph (9) (k) ~~(9) (1)~~, the
 987 Department of Education shall provide to the State Board of
 988 Education, the Commissioner of Education, the Governor, the
 989 President of the Senate, and the Speaker of the House of
 990 Representatives an analysis and comparison of the overall
 991 performance of charter school students, to include all students
 992 whose scores are counted as part of the statewide assessment
 993 program, versus comparable public school students in the
 994 district as determined by the statewide assessment program
 995 currently administered in the school district, and other
 996 assessments administered pursuant to s. 1008.22 (3).

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

998 (a) This subsection applies to charter school personnel in
 999 a charter school operated by a private entity. Charter school
 1000 personnel in schools operated by a municipality or other public
 1001 entity are subject to s. 112.3135. As used in this subsection,
 1002 the term:

1003 1. "Charter school personnel" means a charter school
 1004 owner, president, chairperson of the governing board of
 1005 directors, superintendent, governing board member, principal,
 1006 assistant principal, or any other person employed by the charter
 1007 school who has equivalent decisionmaking authority and in whom
 1008 is vested the authority, or to whom the authority has been

1009 delegated, to appoint, employ, promote, or advance individuals
 1010 or to recommend individuals for appointment, employment,
 1011 promotion, or advancement in connection with employment in a
 1012 charter school, including the authority as a member of a
 1013 governing body of a charter school to vote on the appointment,
 1014 employment, promotion, or advancement of individuals.

1015 2. "Relative" means father, mother, son, daughter,
 1016 brother, sister, uncle, aunt, first cousin, nephew, niece,
 1017 husband, wife, father-in-law, mother-in-law, son-in-law,
 1018 daughter-in-law, brother-in-law, sister-in-law, stepfather,
 1019 stepmother, stepson, stepdaughter, stepbrother, stepsister, half
 1020 brother, or half sister.

1021 (b)1. Charter school personnel may not knowingly recommend
 1022 or engage in the appointment, employment, promotion, or
 1023 advancement of an individual or employee into a position at a
 1024 work location if that action will create a situation in which
 1025 one employee will be responsible for the direct supervision of,
 1026 or exercise jurisdiction or control over, another employee who
 1027 is a relative.

1028 2. The Commissioner of Education or the charter school's
 1029 sponsor may grant a waiver of subparagraph 1. if such
 1030 prohibition would cause an undue hardship to students or would
 1031 seriously disrupt a charter school's operations.

1032 3. This paragraph does not prohibit the employment of
 1033 relatives at the same work location as long as subparagraph 1.
 1034 is not violated.

1035 4. The approval of budgets does not constitute
 1036 "jurisdiction or control" for the purposes of this paragraph.

1037 (25) STANDARDS OF CONDUCT AND FINANCIAL DISCLOSURE.--

1038 (a) A member of a governing board of a charter school,
 1039 including a charter school operated by a private entity, is
 1040 subject to ss. 112.313(2), (3), (7), and (12) and 112.3143(3).

1041 (b) A member of a governing board of a charter school
 1042 operated by a municipality or other public entity is subject to
 1043 s. 112.3144, which relates to the disclosure of financial
 1044 interests.

1045 Section 8. Subsections (4) and (5), paragraphs (d) and (f)
 1046 of subsection (6), paragraph (c) of subsection (10), paragraph
 1047 (f) of subsection (11), and subsection (13) of section 1002.34,
 1048 Florida Statutes, are amended to read:

1049 1002.34 Charter technical career centers.--

1050 (4) CHARTER.--A sponsor may designate centers as provided
 1051 in this section. An application to establish a center may be
 1052 submitted by a sponsor or another organization that is
 1053 determined, by rule of the State Board of Education, to be
 1054 appropriate. However, an independent school is not eligible for
 1055 status as a center. The charter must be signed by the governing
 1056 body of the center and the sponsor, and must be approved by the
 1057 district school board and community college board of trustees in
 1058 whose geographic region the facility is located. If a charter
 1059 technical career center is established by the conversion to
 1060 charter status of a public technical center formerly governed by
 1061 a district school board, the charter status of that center takes
 1062 precedence in any question of governance. The governance of the
 1063 center or of any program within the center remains with its
 1064 board of directors unless the board agrees to a change in

1065 governance or its charter is revoked as provided in subsection
 1066 (15). Such a conversion charter technical career center is not
 1067 affected by a change in the governance of public technical
 1068 centers or of programs within other centers that are or have
 1069 been governed by district school boards. A charter technical
 1070 career center, or any program within such a center, that was
 1071 governed by a district school board and transferred to a
 1072 community college prior to the effective date of this act is not
 1073 affected by this provision. An applicant who wishes to establish
 1074 a center must submit to the district school board or community
 1075 college board of trustees, or a consortium of one or more of
 1076 each, an application on a form developed by the Department of
 1077 Education which ~~that~~ includes:

- 1078 (a) The name of the proposed center.
- 1079 (b) The proposed structure of the center, including a list
 1080 of proposed members of the board of directors or a description
 1081 of the qualifications for and method of their appointment or
 1082 election.
- 1083 (c) The workforce development goals of the center, the
 1084 curriculum to be offered, and the outcomes and the methods of
 1085 assessing the extent to which the outcomes are met.
- 1086 (d) The admissions policy and criteria for evaluating the
 1087 admission of students.
- 1088 (e) A description of the staff responsibilities and the
 1089 proposed qualifications of the teaching staff.
- 1090 (f) A description of the procedures to be implemented to
 1091 ensure significant involvement of representatives of business
 1092 and industry in the operation of the center.

1093 (g) A method for determining whether a student has
 1094 satisfied the requirements for graduation specified in s.
 1095 1003.43 and for completion of a postsecondary certificate or
 1096 degree.

1097 (h) A method for granting secondary and postsecondary
 1098 diplomas, certificates, and degrees.

1099 (i) A description of and address for the physical facility
 1100 in which the center will be located.

1101 (j) A method for ~~of~~ resolving conflicts between the
 1102 governing body of the center and the sponsor and between
 1103 consortium members, if applicable.

1104 (k) A method for reporting student data as required by law
 1105 and rule.

1106 (l) A statement that the applicant has participated in the
 1107 training provided by the Department of Education.

1108 (m) The identity of all relatives employed by the charter
 1109 technical career center who are related to the center owner,
 1110 president, chairperson of the governing board of directors,
 1111 superintendent, governing board member, principal, assistant
 1112 principal, or any other person employed by the center who has
 1113 equivalent decisionmaking authority. As used in this paragraph,
 1114 the term "relative" means father, mother, son, daughter,
 1115 brother, sister, uncle, aunt, first cousin, nephew, niece,
 1116 husband, wife, father-in-law, mother-in-law, son-in-law,
 1117 daughter-in-law, brother-in-law, sister-in-law, stepfather,
 1118 stepmother, stepson, stepdaughter, stepbrother, stepsister, half
 1119 brother, or half sister.

1120 (m)-(l) Other information required by the district school

1121 board or community college board of trustees.

1122
 1123 Students at a center must meet the same testing and academic
 1124 performance standards as those established by law and rule for
 1125 students at public schools and public technical centers. The
 1126 students must also meet any additional assessment indicators
 1127 that are included within the charter approved by the district
 1128 school board or community college board of trustees.

1129 (5) APPLICATION.--An application to establish a center
 1130 must be submitted by February 1 of the year preceding the school
 1131 year in which the center will begin operation. The sponsor must
 1132 review the application using an evaluation instrument developed
 1133 by the Department of Education and make a final decision on
 1134 whether to approve the application and grant the charter by
 1135 March 1, and may condition the granting of a charter on the
 1136 center's taking certain actions or maintaining certain
 1137 conditions. Such actions and conditions must be provided to the
 1138 applicant in writing. The district school board or community
 1139 college board of trustees is not required to issue a charter to
 1140 any person.

1141 (6) SPONSOR.--A district school board or community college
 1142 board of trustees or a consortium of one or more of each may
 1143 sponsor a center in the county in which the board has
 1144 jurisdiction.

1145 (d) 1. The Department of Education shall offer or arrange
 1146 for training and technical assistance to applicants in
 1147 developing business plans and estimating costs and income. This
 1148 assistance shall address estimating startup costs, projecting

1149 enrollment, and identifying the types and amounts of state and
 1150 federal financial assistance the center may be eligible to
 1151 receive. The training shall include instruction in accurate
 1152 financial planning and good business practices.

1153 2. An applicant must participate in the training provided
 1154 by the Department of Education before filing an application. The
 1155 Department of Education may provide technical assistance to an
 1156 applicant upon written request.

1157 (f) The sponsor shall monitor and review the center's
 1158 progress toward charter goals and shall monitor the center's
 1159 revenues and expenditures. The sponsor shall perform the duties
 1160 provided in s. 1002.345.

1161 (10) EXEMPTION FROM STATUTES.--

1162 (c) A center must comply with the antidiscrimination
 1163 provisions in ~~of~~ s. 1000.05 and the provisions in s. 1002.33(24)
 1164 which relate to the employment of relatives.

1165 (11) FUNDING.--

1166 (f) A center shall provide for an annual financial audit
 1167 in accordance with s. 218.39. A center shall provide a monthly
 1168 financial statement to the sponsor. The content and form of the
 1169 monthly financial statement shall be prescribed by the
 1170 Department of Education.

1171 (13) BOARD OF DIRECTORS AUTHORITY.--The board of directors
 1172 of a center may decide matters relating to the operation of the
 1173 school, including budgeting, curriculum, and operating
 1174 procedures, subject to the center's charter. The board of
 1175 directors is responsible for performing the duties provided in
 1176 s. 1002.345, including monitoring the corrective action plan.

1177 The board of directors must comply with s. 1002.33(25).
 1178 Section 9. Section 1002.345, Florida Statutes, is created
 1179 to read:
 1180 1002.345 Determination of deteriorating financial
 1181 conditions and financial emergencies for charter schools and
 1182 charter technical career centers.--This section applies to
 1183 charter schools operating pursuant to s. 1002.33 and to charter
 1184 technical career centers operating pursuant to s. 1002.34.
 1185 (1) EXPEDITED REVIEW; REQUIREMENTS.--
 1186 (a) A charter school or a charter technical career center
 1187 is subject to an expedited review by the sponsor if one of the
 1188 following occurs:
 1189 1. Failure to provide for an audit required by s. 218.39.
 1190 2. Failure to comply with reporting requirements pursuant
 1191 to s. 1002.33(9) or s. 1002.34(11)(f) or (14).
 1192 3. A deteriorating financial condition identified through
 1193 an annual audit pursuant to s. 218.39(5) or a monthly financial
 1194 statement pursuant to s. 1002.33(9)(g) or s. 1002.34(11)(f).
 1195 "Deteriorating financial condition" means a circumstance that
 1196 significantly impairs the ability of a charter school or a
 1197 charter technical career center to generate enough revenues to
 1198 meet its expenditures without causing the occurrence of a
 1199 condition described in s. 218.503(1).
 1200 4. Notification pursuant to s. 218.503(2) that one or more
 1201 of the conditions specified in s. 218.503(1) have occurred or
 1202 will occur if action is not taken to assist the charter school
 1203 or charter technical career center.
 1204 (b) A sponsor shall notify the governing board within 7

1205 business days after one or more of the conditions specified in
 1206 paragraph (a) occur.

1207 (c) The governing board and the sponsor shall develop a
 1208 corrective action plan and file the plan with the Commissioner
 1209 of Education within 30 business days after notification is
 1210 received as provided in paragraph (b). If the governing board
 1211 and the sponsor are unable to agree on a corrective action plan,
 1212 the Commissioner of Education shall determine the components of
 1213 the plan. The governing board shall implement such plan.

1214 (d) The governing board shall include the corrective
 1215 action plan and the status of its implementation in the annual
 1216 progress report to the sponsor which is required pursuant to s.
 1217 1002.33(9)(k) or s. 1002.34(14).

1218 (e) If the governing board fails to implement the
 1219 corrective action plan within 1 year after one or more of the
 1220 conditions specified in paragraph (a) occur, the State Board of
 1221 Education shall prescribe any steps necessary for the charter
 1222 school or the charter technical career center to comply with
 1223 state requirements.

1224 (f) The chair of the governing board shall annually appear
 1225 before the State Board of Education and report on the
 1226 implementation of the State Board of Education's requirements.

1227 (2) FINANCIAL EMERGENCY; REQUIREMENTS.--

1228 (a)1. If a financial audit conducted by a certified public
 1229 accountant in accordance with s. 218.39 reveals that one or more
 1230 of the conditions in s. 218.503(1) have occurred or will occur
 1231 if action is not taken to assist the charter school or charter
 1232 technical career center, the auditor shall notify the governing

1233 board of the charter school or charter technical career center,
 1234 as appropriate, the sponsor, and the Commissioner of Education
 1235 within 7 business days after the finding is made.

1236 2. If the charter school or charter technical career
 1237 center is found to be in a state of financial emergency pursuant
 1238 to s. 218.503(4), the charter school or charter technical career
 1239 center shall file a financial recovery plan pursuant to s.
 1240 218.503 with the sponsor and the Commissioner of Education
 1241 within 30 days after being notified by the Commissioner of
 1242 Education that a financial recovery plan is needed.

1243 (b) The governing board shall include the financial
 1244 recovery plan and the status of its implementation in the annual
 1245 progress report to the sponsor which is required under s.
 1246 1002.33(9)(k) or s. 1002.34(14).

1247 (3) REPORT.--The Commissioner of Education shall annually
 1248 report to the State Board of Education each charter school and
 1249 charter technical career center that is subject to a financial
 1250 recovery plan or a corrective action plan under this section.

1251 (4) RULES.--The State Board of Education shall adopt rules
 1252 pursuant to ss. 120.536(1) and 120.54 for developing financial
 1253 recovery and corrective action plans, defining a deteriorating
 1254 financial condition pursuant to subparagraph (1)(a)3., and
 1255 establishing procedures for determining a deteriorating
 1256 financial condition pursuant to subparagraph (1)(a)3. and s.
 1257 218.39(5). In adopting the rules, the State Board of Education
 1258 may obtain technical assistance from the Auditor General.

1259 (5) TECHNICAL ASSISTANCE.--The Department of Education
 1260 shall provide technical assistance to charter schools, charter

1261 technical career centers, governing boards, and sponsors in
 1262 developing financial recovery and corrective action plans.

1263 (6) FAILURE TO CORRECT DEFICIENCIES.--The sponsor may
 1264 decide not to renew or may terminate a charter if the charter
 1265 school or charter technical career center fails to correct the
 1266 deficiencies noted in the corrective action plan within 1 year
 1267 after being notified of the deficiencies or exhibits one or more
 1268 financial emergency conditions specified in s. 218.503 for 2
 1269 consecutive years. This subsection does not affect a sponsor's
 1270 authority to terminate or not renew a charter pursuant to s.
 1271 1002.33(8).

1272 Section 10. Subsection (2) of section 1013.62, Florida
 1273 Statutes, is amended to read:

1274 1013.62 Charter schools capital outlay funding.--

1275 (2) A charter school's governing body may use charter
 1276 school capital outlay funds for the following purposes:

1277 (a) Purchase of real property.

1278 (b) Construction of school facilities.

1279 (c) Purchase, lease-purchase, or lease of permanent or
 1280 relocatable school facilities.

1281 (d) Purchase of vehicles to transport students to and from
 1282 the charter school.

1283 (e) Renovation, repair, and maintenance of school
 1284 facilities that the charter school owns or is purchasing through
 1285 a lease-purchase or long-term lease of 5 years or longer.

1286 (f) Purchase, lease-purchase, or lease of new and
 1287 replacement equipment.

1288 (g) Payment of the cost of premiums for property and

PCS for HB 1005

ORIGINAL

2009

1289 | casualty insurance necessary to insure the school.
1290 | Conversion charter schools may use capital outlay funds received
1291 | through the reduction in the administrative fee provided in s.
1292 | 1002.33(20) for renovation, repair, and maintenance of school
1293 | facilities that are owned by the sponsor.

1294 | Section 11. This act shall take effect July 1, 2009.

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