By Senator Bean

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A bill to be entitled

An act relating to charter schools; amending s. 1002.33, F.S.; revising charter school contract and funding requirements; creating s. 1002.333, F.S.; defining terms; authorizing certain entities to apply for designation as a High-Impact Charter Management Organization; requiring the State Board of Education to adopt rules; providing criteria for an initial and renewal designation; providing that the charter school may receive charter school capital outlay; authorizing certain administrative fees to be waived under certain conditions; requiring the Department of Education to give priority to certain charter schools applying for specified grants; amending s. 1013.62, F.S.; revising the standards that a charter school must meet to be eligible for a funding allocation; providing an effective date.

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

Section 1. Paragraph (n) of subsection (9) and paragraph (c) of subsection (17) of section 1002.33, Florida Statutes, are amended to read:

1002.33 Charter schools.-

- (9) CHARTER SCHOOL REQUIREMENTS. -
- (n)1. The director and a representative of the governing board of a charter school that has earned a grade of "D" or "F" pursuant to s. 1008.34 shall appear before the sponsor to present information concerning each contract component having noted deficiencies. The director and a representative of the governing board shall submit to the sponsor for approval a school improvement plan to raise student performance. Upon

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approval by the sponsor, the charter school shall begin implementation of the school improvement plan. The department shall offer technical assistance and training to the charter school and its governing board and establish guidelines for developing, submitting, and approving such plans.

- 2.a. If a charter school earns three consecutive grades of "D," two consecutive grades of "D" followed by a grade of "F," or two nonconsecutive grades of "F" within a 3-year period, the charter school governing board shall choose one of the following corrective actions:
- (I) Contract for educational services to be provided directly to students, instructional personnel, and school administrators, as prescribed in state board rule;
- (II) Contract with an outside entity that has a demonstrated record of effectiveness to operate the school;
- (III) Reorganize the school under a new director or principal who is authorized to hire new staff; or
 - (IV) Voluntarily close the charter school.
- b. The charter school must implement the corrective action in the school year following receipt of a third consecutive grade of "D," a grade of "F" following two consecutive grades of "D," or a second nonconsecutive grade of "F" within a 3-year period.
- c. The sponsor may annually waive a corrective action if it determines that the charter school is likely to improve a letter grade if additional time is provided to implement the intervention and support strategies prescribed by the school improvement plan. Notwithstanding this sub-subparagraph, a charter school that earns a second consecutive grade of "F" is

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subject to subparagraph 4.

d. A charter school is no longer required to implement a corrective action if it improves by at least one letter grade. However, the charter school must continue to implement strategies identified in the school improvement plan. The sponsor must annually review implementation of the school improvement plan to monitor the school's continued improvement pursuant to subparagraph 5.

- e. A charter school implementing a corrective action that does not improve by at least one letter grade after 2 full school years of implementing the corrective action must select a different corrective action. Implementation of the new corrective action must begin in the school year following the implementation period of the existing corrective action, unless the sponsor determines that the charter school is likely to improve a letter grade if additional time is provided to implement the existing corrective action. Notwithstanding this sub-subparagraph, a charter school that earns a second consecutive grade of "F" while implementing a corrective action is subject to subparagraph 4.
- 3. A charter school with a grade of "D" or "F" which that improves by at least one letter grade must continue to implement the strategies identified in the school improvement plan. The sponsor must annually review implementation of the school improvement plan to monitor the school's continued improvement pursuant to subparagraph 5.
- 4. A charter school's charter contract is automatically terminated if the school earns two consecutive grades of "F" after all school grade appeals are final unless:

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a. The charter school is established to turn around the performance of a district public school pursuant to s. 1008.33(4)(b)3. Such charter schools shall be governed by s. 1008.33;

- b. The charter school is designated under s. 1002.333 as a High-Impact Charter Management Organization to serve a critical need area or serves a student population the majority of which resides in a school zone served by a district public school that earned a grade of "F" in the year before the charter school opened and the charter school earns at least a grade of "D" in its third year of operation. The exception provided under this sub-subparagraph does not apply to a charter school in its fourth year of operation and thereafter; or
- c. The state board grants the charter school a waiver of termination. The charter school must request the waiver within 15 days after the department's official release of school grades. The state board may waive termination if the charter school demonstrates that the Learning Gains of its students on statewide assessments are comparable to or better than the Learning Gains of similarly situated students enrolled in nearby district public schools. The waiver is valid for 1 year and may only be granted once. Charter schools that have been in operation for more than 5 years are not eligible for a waiver under this sub-subparagraph.

The sponsor shall notify the charter school's governing board, the charter school principal, and the department in writing when a charter contract is terminated under this subparagraph. The letter of termination must meet the requirements of paragraph

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(8) (c). A charter terminated under this subparagraph must follow the procedures for dissolution and reversion of public funds pursuant to paragraphs (8) (e) - (g) and (9) (o).

- 5. The director and a representative of the governing board of a graded charter school that has implemented a school improvement plan under this paragraph shall appear before the sponsor at least once a year to present information regarding the progress of intervention and support strategies implemented by the school pursuant to the school improvement plan and corrective actions, if applicable. The sponsor shall communicate at the meeting, and in writing to the director, the services provided to the school to help the school address its deficiencies.
- 6. Notwithstanding any provision of this paragraph except sub-subparagraphs 4.a.-c., the sponsor may terminate the charter at any time pursuant to subsection (8).
- (17) FUNDING.—Students enrolled in a charter school, regardless of the sponsorship, shall be funded as if they are in a basic program or a special program, the same as students enrolled in other public schools in the school district. Funding for a charter lab school shall be as provided in s. 1002.32.
- (c) If the district school board is providing programs or services to students funded by federal funds, any eligible students enrolled in charter schools in the school district shall be provided federal funds for the same level of service provided students in the schools operated by the district school board. Pursuant to provisions of 20 U.S.C. 8061 s. 10306, all charter schools shall receive all federal funding for which the school is otherwise eligible, including Title I funding, not

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later than 5 months after the charter school first opens and within 5 months after any subsequent expansion of enrollment. Unless otherwise mutually agreed to by the charter school and its sponsor, and consistent with state and federal rules and regulations governing the use and disbursement of federal funds, the sponsor shall reimburse the charter school on a monthly basis for all invoices submitted by the charter school for federal funds available to the sponsor for the benefit of the charter school, the charter school's students, and the charter school's students as public school students in the school district. Such federal funds include, but are not limited to, Title I, Title II, and Individuals with Disabilities Education Act (IDEA) funds. The department shall provide school districts with technical assistance to ensure the federal funds are allocated to charter schools using an appropriate methodology. To receive timely reimbursement for an invoice, the charter school must submit the invoice to the sponsor at least 30 days before the monthly date of reimbursement set by the sponsor. In order to be reimbursed, any expenditures made by the charter school must comply with all applicable state rules and federal regulations, including, but not limited to, the applicable federal Office of Management and Budget Circulars; the federal Education Department General Administrative Regulations; and program-specific statutes, rules, and regulations. Such funds may not be made available to the charter school until a plan is submitted to the sponsor for approval of the use of the funds in accordance with applicable federal requirements. The sponsor has 30 days to review and approve any plan submitted pursuant to this paragraph.

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Section 2. Section 1002.333, Florida Statutes, is created to read:

- 1002.333 High-Impact Charter Management Organization.-
- (1) As used in this section, the term:
- (a) "Critical need area" means an area designated as such by the Legislature or an area that is served by one or more public schools that are subject to the turnaround options specified in s. 1008.33(4)(b).
- (b) "Entity" means a nonprofit organization with tax exempt status under s. 501(c)(3) of the Internal Revenue Code which is authorized by law to operate a public charter school.
- (2) An entity that successfully operates a system of charter schools which primarily serves educationally disadvantaged students who are eligible for free or reduced-price lunch under the Richard B. Russell National School Lunch Act, may apply to the State Board of Education for status as a High-Impact Charter Management Organization.
- prescribing the process and criteria for the initial designation and renewal designation of a High-Impact Charter Management

 Organization. The criteria for initial designation must include a review of the data from all schools currently and previously operated by the entity during the past 3 years and the comparison of student-level data to the data of similar students in other schools. The initial designation period may not exceed 5 years. The criteria for initial and renewal designation must include, but need not be limited to, all of the following:
- (a) Student demographic and achievement data, including performance on statewide assessments and nationally norm-

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referenced assessments.

- (b) Student attendance, promotion, retention, and graduation rates.
- (c) Other student outcome data, such as college attendance rates and completion rates.
 - (d) Annual finance statements and audits.
- (4) An entity that is designated as a High-Impact Charter Management Organization may:
- (a) Submit an application to a local school board pursuant to s. 1002.33 to establish and operate charter schools in critical need areas;
 - (b) Take the actions described in s. 1002.331(2); and
- (c) Notwithstanding the criteria in s. 1002.33(25), be designated as a local educational agency for the purpose of receiving federal funds.
- (5) Notwithstanding s. 1013.62(1)(a), a charter school operated by a High-Impact Charter Management Organization is eligible to receive charter school capital outlay.
- (6) The administrative fee provided for in s.

 1002.33(20)(a)2. shall be waived for a charter school

 established by a High-Impact Charter Management Organization in

 a critical need area if the entity maintains its status as a

 High-Impact Charter Management Organization.
- (7) The department shall give priority to charter schools operated by a High-Impact Charter Management Organization in the department's Public Charter School Grant Program competitions.

 Such priority treatment may be provided only for a new charter school that will operate in a critical need area.
 - (8) If an entity seeks status renewal, the State Board of

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Education shall review the academic and financial performance of the charter schools established in critical need areas consistent with subsection (3).

- (9) The State Board of Education shall adopt rules under ss. 120.536(1) and 120.54 to administer this section.
- Section 3. Paragraph (a) of subsection (1) of section 1013.62, Florida Statutes, is amended to read:
 - 1013.62 Charter schools capital outlay funding.-
- (1) In each year in which funds are appropriated for charter school capital outlay purposes, the Commissioner of Education shall allocate the funds among eligible charter schools as specified in this section.
- (a) To be eligible for a funding allocation, a charter school must:
 - 1.a. Have been in operation for 2 or more years;
- b. Be governed by a governing board established in the state for 3 or more years which operates both charter schools and conversion charter schools within the state;
- c. Be an expanded feeder chain of a charter school within the same school district that is currently receiving charter school capital outlay funds;
- d. Have been accredited by the Commission on Schools of the Southern Association of Colleges and Schools; or
- e. Serve students in facilities that are provided by a business partner for a charter school-in-the-workplace pursuant to s. 1002.33(15)(b).
- 2. Have an annual audit that does not reveal any of the financial emergency conditions provided in s. 218.503(1) for the most recent fiscal year for which such audit results are

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266	3. Have satisfactory student achievement based on state
267	accountability standards applicable to the charter school.
268	3.4. Have received final approval from its sponsor pursuant
269	to s. 1002.33 for operation during that fiscal year.
270	4.5. Serve students in facilities that are not provided by
271	the charter school's sponsor.
272	Section 4. This act shall take effect July 1, 2017.