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Proposed Committee Substitute by the Committee on Education A bill to be entitled

An act relating to charter schools; amending s. 1002.33, F.S.; requiring policies agreed to by the sponsor and charter school to be incorporated into the charter contract; authorizing a charter school operated by a Florida College System institution to serve students in kindergarten through grade 12; authorizing a school district to enter into interlocal agreements with certain entities in order to engage in certain activities and meet certain needs for operation of charter school; providing requirements for the interlocal agreements; revising requirements for charter school applications; providing requirements for an annual financial plan that must be submitted with a charter school application; prohibiting the governing board or other related entity of a charter school subject to a corrective action plan or financial recovery plan from applying to open an additional charter school; providing disclosure requirements; revising provisions relating to the timely submission of charter school applications; providing requirements relating to the appeal of a denied application submitted by a highperforming charter school; reducing the amount of time for negotiation of a charter; providing that a provision of a charter contract inconsistent with, or not expressly provided for within, certain requirements is void and unenforceable; revising



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provisions relating to the issuance of a final order in contract dispute cases; requiring a charter to set forth an annual program of continual, detailed reporting and review of the charter school's financial operations; providing a restriction relating to a required certificate of occupancy; requiring the charter agreement to terminate if the charter school closes; prohibiting certain charter school contracts from extending beyond the terms of the contract; authorizing the consolidation of multiple charters into a single charter in certain circumstances; requiring a charter school's sponsor to make student academic achievement for all students the most important factor when determining whether to renew or terminate the charter; revising the financial information that is required by charter schools; revising the timeline for charter schools to submit waiver of termination requests to the Department of Education; restricting expenditures upon nonrenewal or termination of a charter school; requiring a charter school to maintain specified information on a website; revising provisions relating to eligible students; revising provisions requiring charter school compliance with statutes relating to education personnel compensation, contracts, performance evaluations, and workforce reductions; providing requirements for the reimbursement of federal funds to charter schools; requiring the use of standard charter and charter renewal contracts and a standard



evaluation instrument; providing restrictions on the employment of governing board members; providing definitions; amending s. 1002.331, F.S.; providing requirements for modification of a charter; requiring the Commissioner of Education to annually review a high-performing charter school's eligibility for highperforming status; authorizing declassification as a high-performing charter school; amending s. 1002.332, F.S.; revising requirements for classification as a high-performing charter school system; requiring the commissioner to annually review a high-performing charter school system's eligibility for highperforming status; authorizing declassification as a high-performing charter school system; amending s. 1013.62, F.S.; revising a charter school's eligibility requirements for funding allocation; providing an effective date.

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

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Section 1. Paragraph (b) of subsection (5), paragraphs (a), (b), (c), and (h) of subsection (6), paragraphs (a) and (c) of subsection (7), paragraph (a) of subsection (8), paragraphs (g) and (n) of subsection (9), paragraphs (b), (h), and (i) of subsection (10), paragraph (b) of subsection (16), paragraphs (b) and (c) of subsection (17), paragraph (a) of subsection (21), subsection (25), and subsection (27) of section 1002.33, Florida Statutes, are amended, paragraphs (o) and (p) are added to subsection (9), paragraph (c) is added to subsection (26), of



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that section, and subsection (28) is added to that section, to read:

1002.33 Charter schools.-

- (5) SPONSOR; DUTIES.—
- (b) Sponsor duties.-
- 1.a. The sponsor shall monitor and review the charter school in its progress toward the goals established in the charter.
- b. The sponsor shall monitor the revenues and expenditures of the charter school and perform the duties provided in s. 1002.345.
- c. The sponsor may approve a charter for a charter school before the applicant has identified space, equipment, or personnel, if the applicant indicates approval is necessary for it to raise working funds.
- d. The sponsor may sponsor's policies shall not apply policies to a charter school unless mutually agreed to by both the sponsor and the charter school. Each sponsor policy agreed to by the sponsor and the charter school must be incorporated into the final charter contract. If the sponsor subsequently amends any agreed-upon sponsor policy, the version of the policy in effect at the time of execution of the charter, or any subsequent modification thereof, shall remain in effect and the sponsor may not hold the charter school responsible for any provision of a newly revised policy until the revised policy is mutually agreed upon.
- e. The sponsor shall ensure that the charter is innovative and consistent with the state education goals established by s. 1000.03(5).



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- f. The sponsor shall ensure that the charter school participates in the state's education accountability system. If a charter school falls short of performance measures included in the approved charter, the sponsor shall report such shortcomings to the Department of Education.
- g. The sponsor <u>is shall</u> not be liable for civil damages under state law for personal injury, property damage, or death resulting from an act or omission of an officer, employee, agent, or governing board body of the charter school.
- h. The sponsor \underline{is} shall not be liable for civil damages under state law for any employment actions taken by an officer, employee, agent, or governing board body of the charter school.
- i. The sponsor's duties to monitor the charter school $\underline{\text{do}}$ shall not constitute the basis for a private cause of action.
- j. The sponsor \underline{may} shall not impose additional reporting requirements on a charter school without providing reasonable and specific justification in writing to the charter school.
- 2. Immunity for the sponsor of a charter school under subparagraph 1. applies only with respect to acts or omissions not under the sponsor's direct authority as described in this section.
- 3. This paragraph does not waive a district school board's sovereign immunity.
- 4. A Florida College System institution may work with the school district or school districts in its designated service area to develop charter schools that offer secondary education. These charter schools must include an option for students to receive an associate degree upon high school graduation. If a Florida College System institution operates an approved teacher



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preparation program under s. 1004.04 or s. 1004.85, the institution may operate no more than one charter school that serves students in kindergarten through grade 12. District school boards shall cooperate with and assist the Florida College System institution on the charter application. Florida College System institution applications for charter schools are not subject to the time deadlines outlined in subsection (6) and may be approved by the district school board at any time during the year. Florida College System institutions may not report FTE for any students who receive FTE funding through the Florida Education Finance Program.

- 5. A school district may enter into nonexclusive interlocal agreements with federal and state agencies, counties, municipalities, and other governmental entities that operate within the geographical borders of the school district to act on behalf of such governmental entities in the inspection, issuance, and other necessary activities for all necessary permits, licenses, and other permissions that a charter school needs in order to operate. The interlocal agreement must include, but need not be limited to, the identification of fees that charter schools will be charged for such services. The fees must consist of the governmental entity's fees plus a fee for the school district to recover actual costs for providing such services. These services and fees are not included within the services to be provided pursuant to subsection (20). Each charter school is encouraged, but is not required, to use districts that enter into such interlocal agreements for these services.
 - (6) APPLICATION PROCESS AND REVIEW.—Charter school



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applications are subject to the following requirements:

- (a) A person or entity that wants wishing to open a charter school shall prepare and submit an application on the a model application form prepared by the Department of Education which:
- 1. Demonstrates how the school will use the guiding principles and meet the statutorily defined purpose of a charter school.
- 2. Provides a detailed curriculum plan that illustrates how students will be provided instruction on services to attain the Next Generation Sunshine State Standards.
- 3. Contains goals and objectives for improving student learning and measuring that improvement. These goals and objectives must indicate how much academic improvement students are expected to show each year, how success will be evaluated, and the specific results to be attained through instruction.
- 4. Describes the reading curriculum and differentiated strategies that will be used for students reading at grade level or higher and a separate curriculum and strategies for students who are reading below grade level. A sponsor shall deny a charter if the school does not propose a reading curriculum that is consistent with effective teaching strategies that are grounded in scientifically based reading research.
- 5. Contains an annual financial plan for each year that the applicant intends to operate requested by the charter for operation of the school for up to 5 years. This plan must provide detailed financial information evidencing that the applicant, or the nonprofit organization that would organize or operate the charter school, is financially qualified and capable of opening, operating, and maintaining a high-quality charter



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school in accordance with the applicant's plan and applicable law. This plan must contain anticipated fund balances based on revenue projections, a spending plan based on projected revenues and expenses, and a description of controls that will safequard finances and projected enrollment trends.

- 6. Discloses whether the applicant was a member of a charter school governing board or was a person with decisionmaking authority for a charter school that was subject to a corrective action pursuant to subparagraph (9)(n)2., subject to a corrective action plan pursuant to s. 1002.345(1)(c), provided notification that a financial emergency has occurred or will occur pursuant to s. 218.503(4)(a), or subject to a financial recovery plan pursuant to s. 1002.345(2)(a). The applicant must include a detailed explanation of the circumstances requiring a corrective action plan, a notification that a financial emergency has occurred or will occur, or a financial recovery plan and the resolution of the matter. However, a governing board member or other related entity of a charter school under a current corrective action plan or financial recovery plan is not eligible to apply to open an additional charter school Documents that the applicant has participated in the training required in subparagraph (f)2. A sponsor may require an applicant to provide additional information as an addendum to the charter school application described in this paragraph.
- 7. For the establishment of a virtual charter school, documents that the applicant has contracted with a provider of virtual instruction services pursuant to s. 1002.45(1)(d).
 - 8. Provides one of the following:



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- a. A surety bond or letter of credit equivalent to 1 month of the new charter school's projected budget;
- b. Proof of accreditation by the Commission on Schools of the Southern Association of Colleges and Schools;
- c. Proof that an educational program at the new charter school will substantially replicate the educational program at an existing high-performing charter school as provided in s. 1002.331, notwithstanding that the grades served by the new charter school may be different from those of the existing highperforming charter school it seeks to replicate; or
- d. Proof that the new charter school will be part of an existing high-performing charter school system as defined in s. 1002.332.

A sponsor may require an applicant to provide additional information as an addendum to the charter school application described in this paragraph.

(b) A sponsor shall receive and review all applications for a charter school using the an evaluation instrument developed by the Department of Education. A sponsor shall receive and consider charter school applications received on or before August 1 of each calendar year for charter schools to be opened at the beginning of the school district's next school year, or to be opened at a time agreed to by the applicant and the sponsor. A sponsor may not refuse to receive a charter school application submitted on or before August 1 and may receive an application submitted applications later than August 1 this date if it chooses. In order to facilitate greater collaboration in the application process, an applicant may submit a draft charter



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school application by May 1. If a draft application is timely submitted, the sponsor shall review and provide feedback as to any potential grounds for denial by July 1 unless both parties agree to an extension. The applicant shall then have until August 1, unless both parties agree to an extension, to resubmit a revised and final application. A sponsor may not charge an applicant for a charter any fee for the processing or consideration of an application, and a sponsor may not base its consideration or approval of an application upon the promise of future payment of any kind. Before approving or denying any application, the sponsor shall allow the applicant, upon receipt of written notification, at least 7 calendar days to make technical or nonsubstantive corrections and clarifications, including, but not limited to, corrections of grammatical, typographical, and like errors or missing signatures, if such errors are identified by the sponsor as cause to deny the application.

- 1. In order to facilitate an accurate budget projection process, a sponsor shall be held harmless for FTE students who are not included in the FTE projection due to approval of charter school applications after the FTE projection deadline. In a further effort to facilitate an accurate budget projection, within 15 calendar days after receipt of a charter school application, a sponsor shall report to the Department of Education the name of the applicant entity, the proposed charter school location, and its projected FTE.
- 2. In order to ensure fiscal responsibility, an application for a charter school shall include a full accounting of expected assets, a projection of expected sources and amounts of income,



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including income derived from projected student enrollments and from community support, and an expense projection that includes full accounting of the costs of operation, including start-up costs.

- 3.a. A sponsor shall by a majority vote approve or deny an application no later than October 1 60 calendar days after the application is received, unless the sponsor and the applicant mutually agree in writing to temporarily postpone the vote to a specific date, at which time the sponsor shall by a majority vote approve or deny the application. If the sponsor fails to act on the application, an applicant may appeal to the State Board of Education as provided in paragraph (c). If an application is denied, the sponsor shall, within 10 calendar days after such denial, articulate in writing the specific reasons, based upon good cause, supporting its denial of the charter application and shall provide the letter of denial and supporting documentation to the applicant and to the Department of Education.
- b. An application submitted by a high-performing charter school identified pursuant to s. 1002.331 may be denied by the sponsor only if the sponsor demonstrates by clear and convincing evidence that:
- (I) The application does not materially comply with the requirements in paragraph (a);
- (II) The charter school proposed in the application does not materially comply with the requirements in paragraphs (9)(a)-(f);
- (III) The proposed charter school's educational program does not substantially replicate that of the applicant or one of



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the applicant's high-performing charter schools;

- (IV) The applicant has made a material misrepresentation or false statement or concealed an essential or material fact during the application process; or
- (V) The proposed charter school's educational program and financial management practices do not materially comply with the requirements of this section.

Material noncompliance is a failure to follow requirements or a violation of prohibitions applicable to charter school applications, which failure is quantitatively or qualitatively significant either individually or when aggregated with other noncompliance. An applicant is considered to be replicating a high-performing charter school if the proposed school is substantially similar to at least one of the applicant's highperforming charter schools and the organization or individuals involved in the establishment and operation of the proposed school are significantly involved in the operation of replicated schools.

c. If the sponsor denies an application submitted by a high-performing charter school, the sponsor must, within 10 calendar days after such denial, state in writing the specific reasons, based upon the criteria in sub-subparagraph b., supporting its denial of the application and must provide the letter of denial and supporting documentation to the applicant and to the Department of Education. The applicant may appeal the sponsor's denial of the application directly to the State Board of Education pursuant to paragraph (c) and must provide the sponsor with a copy of the appeal sub-subparagraph (c)3.b.



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- 4. For budget projection purposes, the sponsor shall report to the Department of Education the approval or denial of a charter application within 10 calendar days after such approval or denial. In the event of approval, the report to the Department of Education shall include the final projected FTE for the approved charter school.
- 5. Upon approval of a charter application, the initial startup shall commence with the beginning of the public school calendar for the district in which the charter is granted unless the sponsor allows a waiver of this subparagraph for good cause.
- (c) 1. An applicant may appeal any denial of that applicant's application or failure to act on an application to the State Board of Education within no later than 30 calendar days after receipt of the sponsor's decision or failure to act and shall notify the sponsor of its appeal. Any response of the sponsor shall be submitted to the State Board of Education within 30 calendar days after notification of the appeal. Upon receipt of notification from the State Board of Education that a charter school applicant is filing an appeal, the Commissioner of Education shall convene a meeting of the Charter School Appeal Commission to study and make recommendations to the State Board of Education regarding its pending decision about the appeal. The commission shall forward its recommendation to the state board within no later than 7 calendar days before prior to the date on which the appeal is to be heard. An appeal regarding the denial of an application submitted by a high-performing charter school pursuant to s. 1002.331 shall be conducted by the State Board of Education in accordance with this paragraph, except that the commission may not convene to make



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recommendations regarding the appeal. However, the Commissioner of Education shall review the appeal and make a recommendation to the state board.

- 2. The Charter School Appeal Commission or, in the case of an appeal regarding an application submitted by a highperforming charter school, the State Board of Education may reject an appeal submission for failure to comply with procedural rules governing the appeals process. The rejection shall describe the submission errors. The appellant has shall have 15 calendar days after notice of rejection in which to resubmit an appeal that meets the requirements set forth in State Board of Education rule. An appeal submitted subsequent to such rejection is considered timely if the original appeal was filed within 30 calendar days after receipt of notice of the specific reasons for the sponsor's denial of the charter application.
- 3.a. The State Board of Education shall by majority vote accept or reject the decision of the sponsor within no later than 90 calendar days after an appeal is filed in accordance with State Board of Education rule. The State Board of Education shall remand the application to the sponsor with its written decision that the sponsor approve or deny the application. The sponsor shall implement the decision of the State Board of Education. The decision of the State Board of Education is not subject to the provisions of the Administrative Procedure Act, chapter 120.
- b. If an appeal concerns an application submitted by a high-performing charter school identified pursuant to s. 1002.331, the State Board of Education shall determine whether



the <u>sponsor's denial of the application complies with the</u>
<u>requirements in sub-subparagraph (b)3.b.</u> sponsor has shown, by
clear and convincing evidence, that:

- (I) The application does not materially comply with the requirements in paragraph (a);
- (II) The charter school proposed in the application does not materially comply with the requirements in paragraphs (9)(a)-(f);
- (III) The proposed charter school's educational program

 does not substantially replicate that of the applicant or one of
 the applicant's high-performing charter schools;
- (IV) The applicant has made a material misrepresentation or false statement or concealed an essential or material fact during the application process; or
- (V) The proposed charter school's educational program and financial management practices do not materially comply with the requirements of this section.

The State Board of Education shall approve or reject the sponsor's denial of an application no later than 90 calendar days after an appeal is filed in accordance with State Board of Education rule. The State Board of Education shall remand the application to the sponsor with its written decision that the sponsor approve or deny the application. The sponsor shall implement the decision of the State Board of Education. The decision of the State Board of Education is not subject to the Administrative Procedure Act, chapter 120.

(h) The terms and conditions for the operation of a charter school shall be set forth by the sponsor and the applicant in a



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written contractual agreement, called a charter. The sponsor may shall not impose unreasonable rules or regulations that violate the intent of giving charter schools greater flexibility to meet educational goals. The sponsor has 30 shall have 60 days after approval of the application to provide an initial proposed charter contract to the charter school. Unless the applicant requests in writing that the sponsor use a nonstandard charter contract, the applicant shall use the standard charter adopted in state board rule pursuant to subsection (27) and the application submitted by the applicant. The sponsor may not omit, supplement, or amend any provision of the standard charter agreement. In addition, the sponsor may not insert or append attachments, addenda, or exhibits to the standard charter contract. The applicant and the sponsor have 40 shall have 75 days thereafter to negotiate and notice the charter contract for final approval by the sponsor unless both parties agree to an extension. Failure of the parties to negotiate the charter within 40 days shall provide the charter school with authority to request mediation or appeal to an administrative law judge pursuant to this paragraph, but it does not absolve the sponsor of its responsibility to continue to negotiate a charter contract in good faith. The proposed charter contract shall be provided to the charter school at least 7 calendar days before prior to the date of the meeting at which the charter is scheduled to be voted upon by the sponsor. A provision of a charter contract inconsistent with or not expressly provided for within the requirements of this section is void and unenforceable. The Department of Education shall provide mediation services for any dispute regarding this section



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subsequent to the approval of a charter application and for any dispute relating to the approved charter, except disputes regarding charter school application denials. If the Commissioner of Education determines that the dispute cannot be settled through mediation, the dispute may be appealed to an administrative law judge appointed by the Division of Administrative Hearings. The administrative law judge has finalorder authority to may rule on issues of equitable treatment of the charter school as a public school, whether proposed provisions of the charter violate the intended flexibility granted charter schools by statute, or on any other matter regarding this section except a charter school application denial, a charter termination, or a charter nonrenewal and shall award the prevailing party reasonable attorney attorney's fees and costs incurred to be paid by the losing party. The costs of the administrative hearing shall be paid by the party whom the administrative law judge rules against.

- (7) CHARTER.—The major issues involving the operation of a charter school shall be considered in advance and written into the charter. The charter shall be signed by the governing board of the charter school and the sponsor, following a public hearing to ensure community input.
- (a) The charter shall address and criteria for approval of the charter shall be based on:
- 1. The school's mission, the students to be served, and the ages and grades to be included.
- 2. The focus of the curriculum, the instructional methods to be used, any distinctive instructional techniques to be employed, and identification and acquisition of appropriate



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technologies needed to improve educational and administrative performance, which include a means for promoting safe, ethical, and appropriate uses of technology which comply with legal and professional standards.

- a. The charter shall ensure that reading is a primary focus of the curriculum and that resources are provided to identify and provide specialized instruction for students who are reading below grade level. The curriculum and instructional strategies for reading must be consistent with the Next Generation Sunshine State Standards and grounded in scientifically based reading research.
- b. In order to provide students with access to diverse instructional delivery models, to facilitate the integration of technology within traditional classroom instruction, and to provide students with the skills they need to compete in the 21st century economy, the Legislature encourages instructional methods for blended learning courses in which a student learns in part through online delivery of content and instruction with some element of student control over time, place, path, or pace and in part at a supervised physical location away from home consisting of both traditional classroom and online instructional techniques. Charter schools may implement blended learning courses that which combine traditional classroom instruction and virtual instruction. Students in a blended learning course must be full-time students of the charter school and receive the online instruction in a classroom setting at the charter school. Instructional personnel certified pursuant to s. 1012.55 who provide virtual instruction for blended learning courses may be employees of the charter school or may be under



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contract to provide instructional services to charter school students. At a minimum, such instructional personnel must hold an active state or school district adjunct certification under s. 1012.57 for the subject area of the blended learning course. The funding and performance accountability requirements for blended learning courses are the same as those for traditional courses.

- 3. The current incoming baseline standard of student academic achievement, the outcomes to be achieved, and the method of measurement that will be used. The criteria listed in this subparagraph shall include a detailed description of:
- a. How the baseline student academic achievement levels and prior rates of academic progress will be established.
- b. How these baseline rates will be compared to rates of academic progress achieved by these same students while attending the charter school.
- c. To the extent possible, how these rates of progress will be evaluated and compared with rates of progress of other closely comparable student populations.

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

4. The methods used to identify the educational strengths and needs of students and how well educational goals and performance standards are met by students attending the charter school. The methods shall provide a means for the charter school



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to ensure accountability to its constituents by analyzing student performance data and by evaluating the effectiveness and efficiency of its major educational programs. Students in charter schools shall, at a minimum, participate in the statewide assessment program created under s. 1008.22.

- 5. In secondary charter schools, a method for determining that a student has satisfied the requirements for graduation in s. 1003.428, s. 1003.429, or s. 1003.43.
- 6. A method for resolving conflicts between the governing board of the charter school and the sponsor.
- 7. The admissions procedures and dismissal procedures, including the school's code of student conduct.
- 8. The ways by which the school will achieve a racial/ethnic balance reflective of the community it serves or within the racial/ethnic range of other public schools in the same school district.
- 9. The financial and administrative management of the school, including a reasonable demonstration of the professional experience or competence of those individuals or organizations applying to operate the charter school or those hired or retained to perform such professional services and the description of clearly delineated responsibilities and the policies and practices needed to effectively manage the charter school. A description of internal audit procedures and establishment of controls to ensure that financial resources are properly managed must be included. Both public sector and private sector professional experience shall be equally valid in such a consideration. The charter must set forth, at least annually, a program of continual, detailed reporting by the



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charter school and review by the sponsor of the financial operations of the charter school, including, but not limited to, organization, solvency, and proper financial management.

- 10. The asset and liability projections required in the application which are incorporated into the charter and shall be compared with information provided in the annual report of the charter school.
- 11. A description of procedures that identify various risks and provide for a comprehensive approach to reduce the impact of losses; plans to ensure the safety and security of students and staff; plans to identify, minimize, and protect others from violent or disruptive student behavior; and the manner in which the school will be insured, including whether or not the school will be required to have liability insurance, and, if so, the terms and conditions thereof and the amounts of coverage.
- 12. The term of the charter, which shall provide for termination cancellation of the charter if insufficient progress has been made in attaining the student achievement objectives of the charter and if it is not likely that such objectives can be achieved before expiration of the charter. The initial term of a charter shall be for 4 or 5 years. In order to facilitate access to long-term financial resources for charter school construction, Charter schools that are operated by a municipality or other public entity as provided by law are eligible for up to a 15-year charter, subject to approval by the district school board. A charter lab school is eligible for a charter for a term of up to 15 years. In addition, to facilitate access to long-term financial resources for charter school construction, charter schools that are operated by a private,



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not-for-profit, s. 501(c)(3) status corporation are eligible for up to a 15-year charter, subject to approval by the district school board. Such long-term charters remain subject to annual review and may be terminated during the term of the charter, but only according to the provisions set forth in subsection (8).

- 13. The facilities to be used and their location. The sponsor may not require a charter school to have a certificate of occupancy for such a facility earlier than 15 calendar days before the first day of school.
- 14. The qualifications to be required of the teachers and the potential strategies used to recruit, hire, train, and retain qualified staff to achieve best value.
- 15. The governance structure of the school, including the status of the charter school as a public or private employer as required in paragraph (12)(i).
- 16. A timetable for implementing the charter which addresses the implementation of each element thereof and the date by which the charter shall be awarded in order to meet this timetable.
- 17. In the case of an existing public school that is being converted to charter status, alternative arrangements for current students who choose not to attend the charter school and for current teachers who choose not to teach in the charter school after conversion in accordance with the existing collective bargaining agreement or district school board rule in the absence of a collective bargaining agreement. However, alternative arrangements are shall not be required for current teachers who choose not to teach in a charter lab school, except as authorized by the employment policies of the state university



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which grants the charter to the lab school.

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

19. Implementation of the activities authorized under s. 1002.331 by the charter school when it satisfies the eligibility requirements for a high-performing charter school. A highperforming charter school shall notify its sponsor in writing by March 1 if it intends to increase enrollment or expand grade levels the following school year. The written notice shall specify the amount of the enrollment increase and the grade levels that will be added, as applicable.

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The charter agreement must immediately terminate when the charter school closes. Charter school contracts with employees, service providers, management companies, and other types of service contracts may not extend beyond the term of the charter agreement. Payments may be made only for services provided before the closure, nonrenewal, termination, or immediate termination of the charter school. If the charter school closes



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or if the charter agreement is terminated or immediately terminated before the term of the charter agreement expires, the remainder of a service contract is void.

- (c) A charter may be modified during its initial term or any renewal term upon the recommendation of the sponsor or the charter school's governing board and the approval of both parties to the agreement. Modification may include, but is not limited to, consolidation of multiple charters into a single charter if the charters are operated under the same governing board and physically located on the same campus, regardless of the renewal cycle.
 - (8) CAUSES FOR NONRENEWAL OR TERMINATION OF CHARTER.-
- (a) The sponsor shall make student academic achievement for all students the most important factor when determining whether to renew or terminate the charter. The sponsor may also choose not to renew or may terminate the charter for any of the following grounds:
- 1. Failure to participate in the state's education accountability system created in s. 1008.31, as required in this section, or failure to meet the requirements for student performance stated in the charter.
- 2. Failure to meet generally accepted standards of fiscal management.
 - 3. Violation of law.
 - 4. Other good cause shown.
 - (9) CHARTER SCHOOL REQUIREMENTS.-
- (g) A charter school shall maintain and provide financial information as required in subparagraphs 3., 4., and 5. This information must be in a form prescribed by the Department of



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- 1. In order to provide financial information that is comparable to that reported for other public schools, charter schools are to maintain all financial records that constitute their accounting system:
- a.1. In accordance with the accounts and codes prescribed in the most recent issuance of the publication titled "Financial and Program Cost Accounting and Reporting for Florida Schools"; or
- b.2. At the discretion of the charter school's governing board, a charter school may elect to follow generally accepted accounting standards for not-for-profit organizations, but must reformat this information for reporting according to this paragraph.
- 2. A charter school schools shall provide annual financial report and program cost report information in the state-required formats for inclusion in district reporting in compliance with s. 1011.60(1). A charter school schools that is are operated by a municipality or is are a component unit of a parent nonprofit organization may use the accounting system of the municipality or the parent but must reformat this information for reporting according to this paragraph.
- 3. A charter school shall provide a monthly financial statement to the sponsor unless the charter school is designated as a high-performing charter school pursuant to s. 1002.331, in which case the high-performing charter school may provide a quarterly financial statement. The financial statement required under this paragraph shall be in a form prescribed by the Department of Education.



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- 4. A charter school shall provide the sponsor with a uniform annual performance audit report that links information with useable issues. The report must include, but not be limited to, detailed financial operations, capitalization, solvency, financial management, and compensation.
- 5. A charter school shall provide the sponsor with a concise monthly financial statement summary sheet that contains a balance sheet and a statement of revenue, expenditures, and changes in fund balance. The balance sheet and the statement of revenue, expenditures, and changes in fund balance shall be in the governmental funds format prescribed by the Governmental Accounting Standards Board.
- (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(2) 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 achievement. Upon 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:



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- (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 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



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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" 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. The sponsor shall terminate a charter if the charter school earns two consecutive grades of "F" unless:
- 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 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



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- c. The state board grants the charter school a waiver of termination. The charter school must request the waiver within 15 30 days after the department's official release completion of school grades grade appeals. 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.
- 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).
- (o) Upon notification of nonrenewal or termination of its charter, a charter school may not expend more than \$35,000 without prior written approval from the sponsor, unless such expenditure was included within the annual budget submitted to the sponsor pursuant to the charter contract or such expenditure



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is for reasonable attorney fees and costs during the pendency of any appeal.

- (p) Each charter school shall maintain a website that enables the public to obtain information regarding the school, its personnel, and its programs. The website shall include information or online links to information regarding any entity that owns, operates, or manages the school, including any nonprofit or for-profit entity; the names of all governing officers and administrative personnel of the entity; and any fees the school pays to the entity. The information or online links must be prominently displayed and easily accessible to visitors of the website.
 - (10) ELIGIBLE STUDENTS.-
- (b) The charter school shall enroll an eligible student who submits a timely application, unless the number of applications exceeds the capacity of a program, class, grade level, or building. In such case, all applicants shall have an equal chance of being admitted through a public, random, selection process.
- (h) The capacity of the charter school shall be determined annually by the governing board, in conjunction with the sponsor, of the charter school in consideration of the factors identified in this subsection unless the charter school is designated as a high-performing charter school pursuant to s. 1002.331. A sponsor may not require a charter school to waive the provisions of s. 1002.331 or require a student enrollment cap that prohibits a high-performing charter school from increasing enrollment in accordance with s. 1002.331(2) as a condition of approval or renewal of a charter.



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- (i) The capacity of a high-performing charter school identified pursuant to s. 1002.331 shall be determined annually by the governing board of the charter school. The governing board shall notify the sponsor of any increase in enrollment by March 1 of the school year preceding the increase. A sponsor may not require a charter school to identify the names of students to be enrolled or to enroll those students before the start of the school year as a condition of approval or renewal of a charter.
 - (16) EXEMPTION FROM STATUTES.-
- (b) Additionally, a charter school shall be in compliance with the following statutes:
- 1. Section 286.011, relating to public meetings and records, public inspection, and criminal and civil penalties.
 - 2. Chapter 119, relating to public records.
- 3. Section 1003.03, relating to the maximum class size, except that the calculation for compliance pursuant to s. 1003.03 shall be the average at the school level.
- implementation of a compensation system that requires annual salary adjustments for instructional personnel to be based upon performance and salary schedules.
- 5. Section 1012.33(5), relating to workforce reductions, if the charter school awards contracts to instructional personnel and the term of a contract exceeds 1 year.
- 6. Section 1012.335, relating to contracts with instructional personnel hired on or after July 1, 2011, if the charter school awards contracts to instructional personnel and the term of a contract exceeds 1 year.



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- 7. Section $\underline{1012.34(2)}$, (3), and (7) $\underline{1012.34}$, relating to the substantive requirements for performance evaluations for instructional personnel and school administrators. For purposes of compliance with this subparagraph, the duties assigned to a district school superintendent apply to a charter school principal or his or her equivalent, and the duties assigned to a district school board apply to a charter school's governing board.
- (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.
- (b) The basis for the agreement for funding students enrolled in a charter school shall be the sum of the school district's operating funds from the Florida Education Finance Program as provided in s. 1011.62 and the General Appropriations Act, including gross state and local funds, discretionary lottery funds, and funds from the school district's current operating discretionary millage levy; divided by total funded weighted full-time equivalent students in the school district; multiplied by the weighted full-time equivalent students for the charter school. Charter schools whose students or programs meet the eligibility criteria in law shall be entitled to their proportionate share of categorical program funds included in the total funds available in the Florida Education Finance Program by the Legislature, including transportation. Total funding for each charter school shall be recalculated during the year to reflect the revised calculations under the Florida Education



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Finance Program by the state and the actual weighted full-time equivalent students reported by the charter school during the full-time equivalent student survey periods designated by the Commissioner of Education. A school district, and any charter school within that district, in which students transfer among charter schools and public schools in that district during the school year may reconcile student funding as identified in s. 1011.62. Each school district shall report information regarding such reconciliation to the department with the survey response the school district provides pursuant to s. 1011.62.

(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 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,



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Title I, Title II, and Individuals with Disabilities Education Act (IDEA) funds. 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 expenditure made by the charter school must comply with all applicable state and federal rules and 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 for their use is submitted to the sponsor for approval in accordance with applicable federal requirements. The sponsor has 30 days to review and approve any plan submitted pursuant to this paragraph.

- (21) PUBLIC INFORMATION ON CHARTER SCHOOLS.
- (a) The Department of Education shall provide information to the public, directly and through sponsors, on how to form and operate a charter school and how to enroll in a charter school once it is created. This information shall include a model standard application form format, standard charter contract format, standard evaluation instrument, and standard charter renewal contract format, which shall include the information specified in subsection (7) and shall be developed by consulting and negotiating with both school districts and charter schools before implementation. The charter and charter renewal contracts formats shall be used by charter school sponsors.
- (25) LOCAL EDUCATIONAL AGENCY STATUS FOR CERTAIN CHARTER SCHOOL SYSTEMS.—A charter school system shall be designated a



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local educational agency for the purpose of receiving federal funds, the same as though the charter school system were a school district, if the governing board of the charter school system has adopted and filed a resolution with its sponsoring district school board and the Department of Education in which the governing board of the charter school system accepts the full responsibility for all local education agency requirements and if the charter school system meets all of the following:

- (a) Includes both conversion charter schools and nonconversion charter schools;
 - (b) Has all schools located in the same county;
- (c) Has a total enrollment exceeding the total enrollment of at least one school district in the state;
 - (d) Has the same governing board; and
- (e) Does not contract with a for-profit service provider for management of school operations.

Such designation does not apply to other provisions unless specifically provided by in law.

- (26) STANDARDS OF CONDUCT AND FINANCIAL DISCLOSURE. -
- (c) An employee of the charter school, or his or her spouse, or an employee of a charter management organization, or his or her spouse, may not be a member of the governing board of a charter school.
- (27) RULEMAKING.—The Department of Education, after consultation with school districts and charter school directors, shall recommend that the State Board of Education adopt rules to implement specific subsections of this section. Such rules must shall require minimum paperwork and may shall not limit charter



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school flexibility authorized by statute. The State Board of Education shall adopt rules, pursuant to ss. 120.536(1) and 120.54, to implement a charter model application form, standard evaluation instrument, and standard charter and charter renewal contracts formats in accordance with this section.

- (28) DEFINITIONS.-When used in this section and chapters 1000-1013 and where the context will permit in other provision of law, the term or phrase:
- (1) "Management company" means an entity retained by a public school's governing body pursuant to a written contract to administer or direct the operations of the school, subject to the policies, directives, and oversight of the governing body. A public school governing body may not retain a management company of which the governing body is a component unit. This definition also applies to the terms "service provider" as the term is used in s. 1002.33, "education management corporation," as the term is used in s. 1002.332, and "outside entity," as the term is used in s. 1008.33.
- (2) "Organize as or be operated by a nonprofit organization" means a charter school that is created and owned by a nonprofit organization, or a charter school that is created by an individual or entity other than a nonprofit organization whose ownership is subsequently transferred to a nonprofit organization before the nonprofit organization executes the charter agreement. A charter school may not be owned in whole or in part by, or be a component unit of, a for-profit entity.

Section 2. Subsections (2), (4), and (5) of section 1002.331, Florida Statutes, are amended to read:

1002.331 High-performing charter schools.



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- (2) A high-performing charter school is authorized to:
- (a) Increase its student enrollment once per school year by up to 15 percent more than the capacity identified in the charter.
- (b) Expand grade levels within kindergarten through grade 12 to add grade levels not already served if any annual enrollment increase resulting from grade level expansion is within the limit established in paragraph (a).
- (c) Submit a quarterly, rather than a monthly, financial statement to the sponsor pursuant to s. 1002.33(9)(q).
- (d) Consolidate under a single charter the charters of multiple high-performing charter schools operated in the same school district by the charter schools' governing board regardless of the renewal cycle.
- (e) Receive a modification of its charter to a term of 15 years or a 15-year charter renewal. The charter may be modified or renewed for a shorter term at the option of the highperforming charter school. The charter must be consistent with s. 1002.33(7) (a) 19. and (10) (h) and (i), is subject to annual review by the sponsor, and may be terminated during its term pursuant to s. 1002.33(8).

A high-performing charter school shall notify its sponsor in writing by March 1 if it intends to increase enrollment or expand grade levels the following school year. The written notice shall specify the amount of the enrollment increase and the grade levels that will be added, as applicable. If a highperforming charter school requests to consolidate multiple charters or to modify its charter pursuant to this subsection,



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the sponsor has 40 days after receipt of that request to provide an initial draft charter to the charter school. The sponsor and charter school have 50 days thereafter to negotiate and notice the charter contract for final approval by the sponsor. Failure of the parties to negotiate the charter within 50 days shall provide the charter school with authority to request mediation or appeal to an administrative law judge pursuant to this subsection, but it does not absolve the sponsor of its responsibility to continue to negotiate a charter contract in good faith.

- (4) A high-performing charter school may not increase enrollment or expand grade levels following any school year in which it receives a school grade of "C" or below. If the charter school receives a school grade of "C" or below in any 2 years during the term of the charter awarded under subsection (2), the term of the charter may be modified by the sponsor and the charter school loses its high-performing charter school status until it regains that status under subsection (1).
- (5) The Commissioner of Education, upon request by a charter school, shall verify that the charter school meets the criteria in subsection (1) and provide a letter to the charter school and the sponsor stating that the charter school is a high-performing charter school pursuant to this section. The commissioner shall annually determine whether a high-performing charter school continues to meet the criteria specified in subsection (1). A high-performing charter school shall maintain its high-performing status unless the commissioner determines that the charter school no longer meets the criteria in subsection (1), at which time the commissioner shall send a



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letter providing notification to the school of its declassification as a high-performing charter school.

Section 3. Paragraph (b) of subsection (1) and paragraph (a) of subsection (2) of section 1002.332, Florida Statutes, are amended to read:

1002.332 High-performing charter school system.-

- (1) For purposes of this section, the term:
- (b) "High-performing charter school system" means an entity that:
- 1. Operated Operates at least three high-performing charter schools in the state, based on charter school models that originated in this state, during each of the previous 3 school years;
- 2. Operated Operates a system of charter schools in which at least 50 percent of the charter schools were are highperforming charter schools pursuant to s. 1002.331 and no charter school earned a school grade of "D" or "F" pursuant to s. 1008.34 in any of the previous 3 school years regardless of whether the entity currently operates the charter school, except that:
- a. If the entity has assumed operation of a public school pursuant to s. 1008.33(4)(b)3. with a school grade of "F," that school's grade may not be considered in determining highperforming charter school system status for a period of 3 years.
- b. If the entity established establishes a new charter school that served serves a student population the majority of which <u>resided</u> <u>resides</u> in a school zone served by a public school that earned a grade of "F" or three consecutive grades of "D" pursuant to s. 1008.34, that charter school's grade may not be



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considered in determining high-performing charter school system status if it attained attains and maintained maintains a school grade that was is higher than that of the public school serving that school zone within 3 years after establishment; and

- 3. Did Has not receive received a financial audit that revealed one or more of the financial emergency conditions set forth in s. 218.503(1) for any charter school assumed or established by the entity in the most recent 3 fiscal years for which such audits are available.
 - 4. Originated in this state.
- (2)(a) The Commissioner of Education, upon request by an entity, shall verify all charter schools served by the entity, verify that the entity meets the criteria in subsection (1) for the previous prior school year, and provide a letter to the entity stating that it is a high-performing charter school system.
- 1. As part of the commissioner's verification, the entity shall identify all charter schools in this state which the entity has operated or provided services for in the previous 3 years, regardless of whether the entity currently operates or provides services for the charter school. For all such charter schools that the entity no longer operates, the entity shall identify the reasons the entity terminated the operation or services or grounds stated by the charter school's governing board in terminating the operation or services of the entity.
- 2. The commissioner shall annually determine whether a high-performing charter school system continues to meet the criteria in subsection (1). A high-performing charter school system shall maintain its high-performing status unless the



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commissioner determines that the charter school system no longer meets the criteria in subsection (1), at which time the commissioner shall send a letter providing notification of its declassification as a high-performing charter school system.

Section 4. 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.
- (a) To be eligible for a funding allocation, a charter school must:
 - 1.a. Have been in operation for 3 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; or
- d. Have been accredited by the Commission on Schools of the Southern Association of Colleges and Schools; or
- d.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 financial stability for future operation as a charter school.
- 3. Have satisfactory student achievement based on state accountability standards applicable to the charter school.



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- 4. Have received final approval from its sponsor pursuant to s. 1002.33 for operation during that fiscal year.
- 5. Serve students in facilities that are not provided by the charter school's sponsor.
 - Section 5. This act shall take effect July 1, 2013.