

**The Florida Senate**  
**BILL ANALYSIS AND FISCAL IMPACT STATEMENT**

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

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Prepared By: The Professional Staff of the Committee on Education

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BILL: SB 1224

INTRODUCER: Senator Farmer

SUBJECT: Charter School Employees

DATE: March 18, 2019

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

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Brick	Sikes	ED	<b>Pre-meeting</b>
2.			GO	
3.			RC	

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**I. Summary:**

SB 1224 establishes a credentialing requirement for charter school principals, governing board members, chief financial officers, and other employees in equivalent positions. The bill requires specified charter school personnel to hold a credential that certifies the individual's core competence in the administration of a charter school, including, but not limited to:

- Developing and adjusting business plans;
- Accurate financial planning and good business practices;
- State and federal grant and student performance accountability;
- State and federal funding sources; and
- Government in the sunshine, conflicts of interest, ethics, and financial responsibility.

The bill takes effect July 1, 2019.

**II. Present Situation:**

**Charter School Formation**

Charter schools are public schools that operate under a performance contract with a sponsor.<sup>1</sup> A district school board or a state university may sponsor a charter school.<sup>2</sup> An entity seeking to open a charter school must apply to the sponsor, who must review or deny the application.<sup>3</sup> To ensure financial accountability, the standard charter school application requires:<sup>4</sup>

- A list of each proposed member of the charter school's governing board and his or her background and qualifications;

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<sup>1</sup> Section 1002.33(7), F.S.

<sup>2</sup> Section 1002.33(5), F.S.

<sup>3</sup> Section 1002.33(6)(b), F.S.

<sup>4</sup> Section 1002.33 (6)(a), F.S.

- A financial plan containing anticipated fund balances based on revenue projections, a spending plan based on projected revenues and expenses, and a description of controls that will safeguard finances and projected enrollment trends; and
- A full accounting of expected assets, a projection of expected sources and amounts of income, 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.

Approved charter schools and sponsors execute a written contract called a “charter.” The charter governs the operating terms of the charter school. The charter must ensure financial accountability by including:<sup>5</sup>

- A reasonable demonstration of the professional experience or competence of the individuals hired to perform the financial and administrative management of the school;
- A description of internal audit procedures and controls; and
- Asset and liability projections.

In the 2017-2018 school year, 655 charter schools served 295,814 students across 47 school districts in Florida.<sup>6</sup>

### **Charter School Financial Accountability Requirements**

Charter schools must meet financial accountability requirements, including:<sup>7</sup>

- Maintaining all financial records in a manner comparable to other Florida public schools;<sup>8</sup>
- Providing annual financial report performed by a certified public accountant or auditor;<sup>9</sup>
- Providing monthly financial statement summary sheet with a balance sheet;<sup>10</sup>
- Adopting and maintaining an annual operating budget;<sup>11</sup> and
- Publishing the school’s annual budget and its annual independent fiscal audit on its website.<sup>12</sup>

### **Charter School Governing Board Requirements**

All charter school personnel, including members of a charter school governing board, must undergo the same background screening required of public school personnel by filing their fingerprints with the district school board.<sup>13</sup> Each governing board member must complete training approved by the Department of Education, including instruction focusing on government in the sunshine, conflicts of interest, ethics, and financial responsibility.<sup>14</sup>

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<sup>5</sup> Section 1002.33(7)(a), F.S.

<sup>6</sup> Florida Department of Education, Office of Independent Education and Parental Choice, *Fact Sheet: Florida’s Charter Schools* (2018), available at <http://www.fldoe.org/core/fileparse.php/7696/urlt/Charter-Sept-2018.pdf>.

<sup>7</sup> Section 1002.33(9), F.S.

<sup>8</sup> *Id.* at (g)1.a.

<sup>9</sup> *Id.* at (g)2.

<sup>10</sup> *Id.* at (g)3.

<sup>11</sup> *Id.* at (h)

<sup>12</sup> Section 1002.33(9)(p)1.

<sup>13</sup> Section 1012.32(2)(b)

<sup>14</sup> Section 1002.33 (9)(j)4., F.S.

Every public school supervisor, principal, and administrator must hold the required certificate through state-approved training.<sup>15</sup> Charter school principals and equivalent personnel are not required to possess the state-approved certifications required of their public school counterparts.

### **Third-Party Credentialing Entities**

A “third-party credentialing entity” is a nonprofit organization that has been approved by the Department of Children and Families (DCF) to certify child care providers, which have met nationally recognized standards for developing and administering professional certification programs.<sup>16</sup> In order to obtain approval from DCF, the third-party credentialing entity must:<sup>17</sup>

- Establish professional requirements and standards that applicants must achieve in order to obtain a child welfare certification and to maintain such certification.
- Develop and apply core competencies and examination instruments according to nationally recognized certification and psychometric standards.
- Maintain a professional code of ethics and a disciplinary process that apply to all persons holding child welfare certification.
- Maintain a database, accessible to the public, of all persons holding child welfare certification, including any history of ethical violations.
- Require annual continuing education for persons holding child welfare certification.
- Administer a continuing education provider program to ensure that only qualified providers offer continuing education opportunities for certificateholders.
- Maintain an advisory committee, including representatives from each region of the department, each sheriff’s office providing child protective services, and each community-based care lead agency, who shall be appointed by the organization they represent. The third-party credentialing entity may appoint additional members to the advisory committee.

The certification approved by DCF focuses on child growth and development, social and emotional development, screening and assessments, and maintaining health and safe environments for children in child care settings.<sup>18</sup>

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

SB 1224 establishes a credentialing requirement for charter school principals, governing board members, chief financial officers, and other employees in equivalent positions. The bill requires specified charter school personnel to hold a credential that certifies the individual’s core competence in the administration of a charter school, including, but not limited to:

- Developing and adjusting business plans;
- Accurate financial planning and good business practices;
- State and federal grant and student performance accountability;
- State and federal funding sources; and
- Government in the sunshine, conflicts of interest, ethics, and financial responsibility.

<sup>15</sup> Section 1012.55(1)(b), F.S.

<sup>16</sup> Section 402.40(2)(g), F.S.

<sup>17</sup> *Id.* at (3).

<sup>18</sup> Email, Florida Department of Children and Families (Mar. 14, 2019); Rule 65C-22.001(7)(g), F.A.C.; *and see s.* 402.305(3)(b), F.S.

The bill requires specified charter school personnel to be certified at least 30 days before the school opens or within 30 days of the first date of employment, whichever comes first. The bill does not specify the timeline in which existing charter school personnel must earn the required certification.

According to the Department of Children and Families (DCF), the approved third-party credentialing entities specified in the bill are not currently approved to provide training or certification in developing and adjusting business plans, financial planning, or state and federal grant and student performance accountability.<sup>19</sup> Therefore, it is unclear whether the approved third-party credentialing entities will be able to provide the required certification for core competence in the administration of a charter school.

#### **IV. Constitutional Issues:**

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

None.

#### **V. Fiscal Impact Statement:**

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

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<sup>19</sup> Email, Florida Department of Children and Families (Mar. 14, 2019).

C. **Government Sector Impact:**

The bill may result in increased costs for charter schools associated with credentialing for principals, governing board members, and chief financial officers.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Statutes Affected:**

This bill substantially amends the following sections of the Florida Statutes: 1002.33 and 1012.32.

**IX. Additional Information:**

A. **Committee Substitute – Statement of Changes:**

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

None.

B. **Amendments:**

None.