

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.)

Prepared By: The Professional Staff of the Committee on Education

BILL: SB 1028
 INTRODUCER: Senator Hutson
 SUBJECT: Charter Schools
 DATE: March 22, 2021 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Jahnke	Bouck	ED	Pre-meeting
2.	_____	_____	AED	_____
3.	_____	_____	AP	_____

I. Summary:

SB 1028 adds provisions for public postsecondary institutions to serve as a charter school sponsor, and authorizes a career and professional academy to be offered by a charter school. Specifically, the bill:

- Authorizes state universities and Florida College System (FCS) institutions to solicit applications and sponsor charter schools upon approval by the Department of Education (DOE).
- Provides that a state university sponsored charter school may serve students from multiple school districts to meet regional education or workforce demands, and an FCS sponsored charter school may serve students from any county within the college’s service area to meet workforce demands.
- Authorizes an FCS institution that operates an approved teacher preparation program to operate additional charter schools.
- Provides that the board of trustees of a sponsoring state university or FCS institution charter school is a local educational agency for the purpose of receiving federal funds and accepting responsibility for all requirements in that role.
- Provides that students attending a state university or FCS institution sponsored charter school are not to be included in the school district’s grade calculation.
- Establishes operational funding and capital outlay funding formulas for charter schools sponsored by a state university or FCS institution.
- Requires the DOE to collaborate to develop a charter school sponsor evaluation framework.
- Authorizes charter schools to provide career and professional academies and revises charter school enrollment limitations.

The fiscal impact of the bill is indeterminate. See Section V.

The bill takes effect on July 1, 2021

II. Present Situation:

The present situation for the relevant portions of the bill is discussed under the Effect of Proposed Changes of this bill analysis.

III. Effect of Proposed Changes:

Charter Schools

Present Situation

Charter schools are tuition-free public schools created through an agreement or “charter” that provides flexibility relative to regulations created for traditional public schools.¹ Forty-four states and the District of Columbia have enacted charter school laws as of January 2018.² Between the 2000-2001 and 2017-2018 school years, the percentage of all public schools that were charter schools increased from two to seven percent, and the total number of charter schools increased from 2,000 to 7,200. The percentage of public school students nationwide attending public charter schools increased from one to six percent between fall 2000 and fall 2017.³

All charter schools in Florida are public schools and are part of the state’s public education system.⁴ During the 2019-2020 school year, over 329,000 students were enrolled in 673 charter schools in Florida.⁵ Sixty-nine percent of the students attending charter schools in the 2019-2020 school year were minorities. Hispanic students comprised 44 percent of Florida’s charter school enrollment, and 19 percent were African-American students.⁶

Charter School Sponsors

Under current Florida law, a district school board may sponsor a charter school in the county over which the district school board has jurisdiction.⁷ Additionally, a state university may sponsor a charter developmental research school (charter lab school).⁸ FCS institutions may work with school districts to develop charter schools as provided for in law, but may not sponsor a K-12 charter school.⁹

A charter school sponsor has several responsibilities, including:¹⁰

¹ Florida Department of Education, Fact Sheet Office of Independent Education & Parental Choice, *Florida’s Charter Schools* (October 2020), available at <http://www.fldoe.org/core/fileparse.php/7696/urlt/Charter-Sept-2020.pdf>

² Education Commission of the States, *50-State Comparison Charter School Policies* <http://ecs.force.com/mbdata/mbquestNB2C?rep=CS1708> (last visited March 17, 2021).

³ National Center for Education Statistics, *Public Charter School Enrollment*, https://nces.ed.gov/programs/coe/indicator_cgb.asp (last visited March 17, 2021).

⁴ Section 1002.33(1), F.S.

⁵ Florida Department of Education, Fact Sheet Office of Independent Education & Parental Choice, *Florida’s Charter Schools* (October 2020), available at <http://www.fldoe.org/core/fileparse.php/7696/urlt/Charter-Sept-2020.pdf>

⁶ *Id.*

⁷ Section 1002.33(5)(a)1., F.S.

⁸ Section 1002.33(5)(a)2., F.S.

⁹ FCS institutions may only sponsor a charter technical career center. Section 1002.33(5)(b)4., F.S. and Section 1002.34(3)(b), F.S.

¹⁰ Section 1002.33(5)(b), F.S.

- Approving or denying charter school applications.
- Overseeing each sponsored school’s progress toward the goals established in the charter.
- Monitoring the revenues and expenditures of the school.
- Ensuring that the school participates in the state’s education accountability system.
- Intervening when a sponsored school demonstrates deficient student performance or financial instability.

A sponsor must provide administrative and educational services¹¹ and may withhold a fee of up to five percent of each charter school’s total operating funds.¹²

Florida College System and State University Charter Schools

FCS institutions may work with school districts in the FCS institution’s designated service area to develop charter schools that offer secondary education, including an option for students to receive an associate degree upon high school graduation. If an FCS institution offers a teacher preparation program, it may operate one charter school for students in kindergarten through grade 12 and must implement innovative blended learning instructional models for students in kindergarten through grade 8.¹³

There are 15 FCS institution-operated charter schools in Florida:¹⁴

District Sponsor	Charter School	Affiliated FCS Institution
Charlotte	Florida SouthWestern Collegiate High School	Florida SouthWestern State College
Lee	Florida SouthWestern Collegiate High School	Florida SouthWestern State College
Manatee	State College of Florida Collegiate School - Bradenton	State College of Florida Manatee-Sarasota
Sumter	The Villages High School Early College Program	Lake-Sumter State College
Duval	San Jose Prep Charter	Florida State College at Jacksonville
Duval	Duval Charter at Baymeadows	Florida State College at Jacksonville
Duval	River City Science Academy	Florida State College at Jacksonville
Martin	Clark Advanced Learning Center	Indian River State College
Okaloosa	Collegiate High School at Northwest Florida State College	Northwest Florida State College
Polk	Polk State College Collegiate High School	Polk State College
Polk	Chain of Lakes Collegiate High School	Polk State College
Polk	Polk State Lakeland Gateway to College Charter High School	Polk State College
Pinellas	St. Petersburg Collegiate High School	St. Petersburg College
Pinellas	St. Petersburg Collegiate High School North Pinellas	St. Petersburg College
Sarasota	State College of Florida Collegiate School - Venice	State College of Florida Manatee-Sarasota

¹¹ Administrative and educational services include contract management services; full-time equivalent and data reporting services; exceptional student education administration services; services related to eligibility and reporting duties required to ensure that school lunch services under the National School Lunch Program; test administration services; processing of teacher certificate data services; and information services. Section 1002.33(20)(a)1, F.S.

¹² Section 1002.33(20)(a)2., F.S.

¹³ Section 1002.33(5)(b)4., F.S.

¹⁴ Email, Department of Education (March 19, 2021).

There are six existing university developmental research (laboratory) schools (lab schools). Of these, three are charter lab schools.¹⁵ Charter lab schools are not required to be established by the nearest state university.¹⁶ In considering an application to establish a charter lab school, a state university must consult with the district school board of the county in which the school is located. If a state university denies or does not act on the application, the applicant may appeal such decision to the State Board of Education (SBE).¹⁷

There are three charter lab schools operating in Florida:¹⁸

State University Sponsor	County	Charter Lab School
Florida Atlantic University	St. Lucie	Florida Atlantic University/St. Lucie Public Schools Palm Pointe Research School
Florida State University	Leon	Florida State University Schools
Florida State University	Broward	The Pembroke Pines Florida School

Effect of Proposed Changes

To address the needs of educational capacity, workforce qualifications, and career education opportunities that may extend beyond a school district’s boundaries, the bill:

- Authorizes state universities and FCS institutions to solicit applications and sponsor charter schools upon approval by the SBE. A state university or FCS institution may deny an application for a charter school. Additionally:
 - A state university-sponsored charter school may serve students from multiple school districts to meet regional education or workforce demands.
 - An FCS-sponsored charter may exist in any county within its service area¹⁹ to meet workforce demands; however, a charter school currently operated by an FCS institution is not eligible to be sponsored by an FCS institution until its existing charter with the school district expires. An FCS-sponsored charter may offer postsecondary programs leading to industry certifications for eligible charter school students.
- Removes the requirements that an FCS institution that operates an approved teacher preparation program:
 - May operate no more than one charter school; and
 - Implement an innovative blended learning instructional model for students in kindergarten through grade 8 at a charter school it operates.
- Specifies that a charter’s racial/ethnic balance must reflect that of nearby public schools rather than public schools located geographically within the district to address state university and FCS sponsored charter schools which may serve students from multiple school districts.
- Prohibits an FCS institution from reporting the full-time equivalent (FTE) for any students participating in FCS-sponsored charter schools who receive FTE funding through the FEFP.

¹⁵ Board of Governors, *2020 Agency Analysis of SB 1578* (Jan. 27, 2020), at 2. Developmental research (laboratory) schools (lab schools) are public schools. Each lab school must be affiliated with the college of education within the state university of closest geographic proximity. A lab school to which a charter has been issued is known as a charter lab school. Section 1002.32(2), F.S.

¹⁶ Section 1002.32(2), F.S.

¹⁷ Section 1002.33(6)(g), F.S.

¹⁸ Email, Department of Education (March 17, 2021).

¹⁹ FCS institution service areas are defined in s. 1000.21(3), F.S.

- Clarifies that a student enrolled in a charter school sponsored by a state university or FCS institution may not be included in the calculation of the school district's grade.

To ensure charter school sponsor accountability, the bill requires the DOE, in collaboration with charter school sponsors and operators, to develop a sponsor evaluation framework that must address, at a minimum:

- The sponsor's strategic vision for charter school authorizing and progress towards that vision;
- Alignment of the sponsor's policies and practices to best practices for charter school authorizing;
- Academic and financial performance of all operating charter schools overseen by the sponsor; and
- The status of charter schools authorized by the sponsor, including approved, operating and closed schools.

The bill requires the DOE to compile the results of the evaluation framework, by sponsor, and add them to its annual charter school sponsor report.

The bill requires the sponsor to provide equal access to student information systems that are used by public schools in the district or by schools in the sponsor's portfolio of charter schools if the sponsor is not a school district. Additionally, the sponsor must provide student performance data, such as standardized test scores and previous public school student report cards, for each student in the charter school.

The bill replaces the terms "public school district" with "public school system" and "school district" with "sponsor" to conform to the establishment of FCS institutions and state universities as authorized charter school sponsors.

Establishing a Charter School

Present Situation

Charter schools are created when an individual, a group of parents or teachers, a business, a municipality, or a legal entity submits an application to the school district; the school district approves the application; the applicants form a governing board that negotiates a contract with the district school board; and the applicants and district school board agree upon a charter or contract. The district school board then becomes the sponsor of the charter school. The negotiated contract outlines expectations of both parties regarding the school's academic and financial performance.²⁰

²⁰ See Florida Department of Education, Charter Schools, *Frequently Asked Questions*, <http://www.fldoe.org/schools/school-choice/charter-schools/charter-school-faqs.stml> (last visited March 17, 2021).

Charter School Application

An application for a new charter school may be made by an individual, teachers, parents, a group of individuals, a municipality, or a legal entity organized under the laws of this state.²¹ All charter applicants must prepare and submit a standard application, which:²²

- Demonstrates how the school will use the guiding principles and meet the statutorily defined purpose of a charter school.
- Provides a detailed curriculum plan that illustrates how students will be provided services to attain the Sunshine State Standards.
- Contains goals and objectives for improving student learning and measuring that improvement.
- 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.
- Contains an annual financial plan for each year requested by the charter for operation of the school for up to five years.
- Discloses the name of each applicant, governing board member, and all proposed education services providers; the name and sponsor of any charter school operated by each applicant, each governing board member, and each proposed education services provider that has closed and the reasons for the closure; and the academic and financial history of such charter schools, which the sponsor must consider in deciding whether to approve or deny the application.
- Contains additional information a sponsor may require.
- Documents, for the establishment of a virtual charter school, the applicant has contracted with a provider of virtual instruction services in accordance with law.²³

A sponsor receives and reviews all charter school applications²⁴ and, within 90 calendar days of receipt, must by majority vote approve or deny the application.²⁵ A sponsor must receive and consider charter school applications received on or before February 1 of each year for charter schools to be opened 18 months later at the beginning of the school district's school year, or to be opened at a time determined by the applicant.²⁶

Charter School Sponsor Reporting

A charter school sponsor must submit an annual report to the DOE summarizing the following:²⁷

- The number of draft applications received on or before May 1 and each applicant's contact information;
- The number of final applications received on or before August 1 and each applicant's contact information;

²¹ Section 1002.33(3)(a), F.S.

²² Section 1002.33(6)(a), F.S. Charter school applications are incorporated into State Board of Education (SBE) Rule 6A-6.0786, F.A.C.

²³ Section 1002.45(1)(d), F.S.

²⁴ Section 1002.33(6)(b), F.S.

²⁵ Section 1002.33(6)(b)3.a., F.S.

²⁶ A sponsor may receive and consider applications after February 1, if it chooses. Section 1002.33(6)(b), F.S.

²⁷ Section 1002.33(5)(b)1.k.(I)-(II), F.S.

- The date each application was approved, denied, or withdrawn; and
- The date each final contract was executed.

The DOE must compile the reported sponsor information into an annual report, by district, and post the information on its website by November 1 each year.²⁸

Charter School Students

A charter school may be exempt from specific enrollment requirements if the school is open to any student covered in an inter-district agreement and any student residing in the school district in which the charter school is located.²⁹ A charter school may limit the enrollment process only to target the following student populations:³⁰

- Students within specific age groups or grade levels.
- Students considered at risk of dropping out of school or academic failure.
- Students enrolling in a charter school-in-the-workplace or charter school-in-a-municipality.³¹
- Students residing within a reasonable distance of the charter school.
- Students who meet established academic, artistic, or other eligibility standards.
- Students articulating from one charter school to another.
- Students living in a development in which a business entity provides the school facility and related property having an appraised value of at least \$5 million.

Effect of Proposed Changes

The bill repeals an obsolete August 1 application deadline and specifies that each sponsor's report to the DOE must reflect the applications it receives by the February 1 deadline, which became effective in 2018. The bill removes the requirement that upon approval, the charter school initial startup commences with the beginning of the public school calendar for the district where the charter is granted.

The bill repeals the requirement that a charter school sponsor report on draft applications it receives and revises the date by which a sponsor must annually report the number of applications it receives from August 31 to November 1. Accordingly, the bill revises the date by which the DOE annually reports the number of applications on its website from November 1 to January 15.

The bill expands the criteria by which a charter school may limit the enrollment process to include students living in a development in which a developer, including any affiliated business entity or charitable foundation, contributes to the formation, acquisition, construction, or operation of one or more charter schools, facilities and related property in an amount equal to or having a total appraised value of at least \$5 million.

²⁸ Section 1002.33(5)(b)1.k.(III), F.S. See Florida Department of Education, *Annual Authorizer Report 2019* (2020), available at <http://www.fldoe.org/core/fileparse.php/9905/urlt/19-AuthorizerReport.pdf>.

²⁹ Section 1002.33(10)(a), F.S.

³⁰ Section 1002.33(10)(e), F.S.

³¹ Section 1002.33(15), F.S.

Charter School Funding

Present Situation

Charter school operations, like other public schools, are funded through the Florida Education Finance Program (FEFP). Each charter school reports student enrollment to its sponsor for inclusion in the district's report of student enrollment for FEFP funding.³² Operating funds from the FEFP are distributed to the charter school by the sponsor. A charter school is entitled to receive its proportionate share of categorical funds included in the FEFP for qualifying students.³³ Categorical funds must be spent for specified purposes, such as student transportation, safe schools, and supplemental academic instruction.

Charter schools are eligible to receive federal education funding through such programs as the Individuals with Disabilities Education Act (IDEA), Title I programs for disadvantaged students, and Title II programs for improving teaching and leadership in the same manner as district school board-operated public schools and must be included in requests for federal funding by the school district or the DOE.³⁴ A high performing charter school system³⁵ governing board may be designated as a local educational agency for the purpose of receiving federal funds, the same as if the charter school system were in the 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 DOE.³⁶

Capital outlay funding for charter schools consists of state funds when appropriated in the General Appropriations Act (GAA) and revenue resulting from discretionary millage authorized in law.³⁷ To be eligible to receive capital outlay funds, a charter school must:³⁸

- Have operated for two or more years and meet specified requirements.³⁹
- Have an annual audit that does not reveal any financial emergency conditions.
- Have satisfactory student achievement based on state accountability standards.
- Have received final approval from its sponsor for operation during that fiscal year.
- Serve students in facilities that are not provided by the charter school's sponsor.

³² Section 1002.33(17)(a) and (b), F.S.

³³ Section 1002.33(17)(b), F.S.

³⁴ Section 1002.33(17)(c), F.S.

³⁵ A high-performing charter school system is an entity that operated at least three high-performing charter schools in the state during each of the previous 3 school years; operated a system of charter schools in which at least 50 percent of the charter schools were high-performing charter schools and no charter school earned a school grade of "D" or "F", and did not receive a financial audit that revealed one or more of the financial emergency conditions. Section 1002.332 (1)(b), F.S.

³⁶ Section, 1002.33(25), F.S.

³⁷ Section 10013.62, F.S.

³⁸ Section 10013.62(1)(a), F.S.

³⁹ Specified requirements include being governed by a governing board established in the state for two or more years which operates both charter schools and conversion charter schools within the state; being an expanded feeder chain of a charter school within the same school district that is currently receiving charter school capital outlay funds; having been accredited by a regional accrediting association as defined by State Board of Education rule; or serving students in facilities that are provided by a business partner for a charter school-in-the-workplace pursuant to s.1002.33(15)(b). Section 1013.62(1)(a), F.S.

While each university receives additional state capital funding, unlike local school districts, university lab schools are dependent on funding from the Legislature for both operational and capital needs.⁴⁰

Effect of Proposed Changes

The bill provides that students enrolled in a charter school sponsored by a state university or FCS institution be funded as if they are in a basic program or special program in the school district.

The bill establishes the basis for funding these students as the sum of the total operating funds for the school district in which the school is located as provided from the FEFP and the GAA, including gross state and local funds, discretionary lottery funds, and funds from each school district's current operating discretionary millage levy; divided by total funded weighted FTE students in the school district; and multiplied by the FTE membership of the charter school.

The bill specifies that a board of trustees of a sponsoring state university or FCS institution is the local education agency for the charter schools it sponsors. As the local education agency, the sponsor may receive federal funds and accepts full responsibility for the schools it oversees, including local education agency requirements.

The DOE is required to develop a tool that each state university or FCS institution sponsoring a charter school must use for purposes of calculating the funding amount for each eligible charter school student. The total obtained by the calculation must be appropriated to the charter school from state funds in the GAA.

In addition, the bill requires capital outlay funding for state university or FCS-sponsored charter schools to be determined in accordance with the requirements established in law for other charter schools.

Career and Professional Academies

Present Situation

In 2007, the Legislature enacted the Florida Career and Professional Education (CAPE) Act to provide a statewide planning partnership between the business and education communities to attract, expand, and retain targeted, high-value industry and to sustain a strong, knowledge-based economy.⁴¹ The primary purpose of the CAPE Act is to:⁴²

- Improve middle and high school academic performance by providing rigorous and relevant curriculum opportunities;
- Provide rigorous and relevant career-themed courses that articulate to post-secondary level coursework and lead to industry certification;
- Support local and regional economic development;
- Respond to Florida's critical workforce needs; and
- Provide state residents with access to high-wage and high-demand careers.

⁴⁰ Board of Governors, *2020 Agency Analysis of SB 1578* (Jan. 27, 2020), at 3.

⁴¹ Section 1003.491, F.S.

⁴² *Id.* at (1).

Each school board must offer career and professional academies⁴³ and include plans to implement a career and professional academy or career-themed course in at least one middle school in the district as part of its three-year strategic plan.⁴⁴ A career and professional academy is a research-based program that integrates a rigorous academic curriculum with an industry-specific curriculum aligned directly to priority workforce needs.⁴⁵ During the 2019-20 school year, 67 school districts, as well as, the Florida Virtual School, Florida School for Deaf and Blind, the Florida State University School, and the Florida A&M University Laboratory School registered 1,706 high school and 301 middle school career and professional academies with 194,197 participating students.⁴⁶

Current law does not expressly authorize charter schools to offer career and professional academies.

Effect of Proposed Changes

The bill modifies s. 1003.493 F.S., to authorize charter schools to provide career and professional academies. This may increase the number of charter middle and high schools offering career and professional academies to better meet career and workforce needs.

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.

⁴³ Section 1003.493(1)(a), F.S.

⁴⁴ Section 1003.4935(1), F.S.

⁴⁵ Section 1003.493(1)(a), F.S.

⁴⁶ Florida Department of Education, *Career and Professional Education Act, Enrollment and Performance Report, 2019-20 (2021)*, available at <http://www.fldoe.org/core/fileparse.php/9904/urlt/1920capepr.pdf>.

V. Fiscal Impact Statement:**A. Tax/Fee Issues:**

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

The bill requires that the funds for eligible university- or FCS institution-sponsored charter school students must be appropriated from state funds in the GAA to the charter school. Currently full-time equivalent students funded in the FEFP are funded with a combination of state and local funds. Since the eligible university- or FCS institution-sponsored charter school student will only be funded from state funds appropriated in the FEFP, there may need to be additional state funds provided to offset the potential loss of local funds; however, at this time the individual amounts cannot be determined and would vary based upon the school district and its total amount of local funds.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends sections 1002.33 and 1003.493 of the Florida Statutes.

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.