

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

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

BILL: CS/SB 3000

SPONSOR: Education Committee and Senator Diaz de la Portilla

SUBJECT: Charter Schools

DATE: April 21, 2004 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Woodruff	O'Farrell	ED	Favorable/CS
2.	_____	_____	AED	_____
3.	_____	_____	AP	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

I. Summary:

The Committee Substitute amends current statutory provisions relating to charter schools. It adds the mitigation of the educational impact from the development of new residential dwelling units to the list of purposes for charter schools. Two additional grounds for appeal to the Charter School Appeal Commission are added.

If a municipality applies for a charter school feeder pattern of schools and each individual application is approved by the district school board, such schools shall then be designated as one charter school for purposes of section 1002.33, Florida Statutes.

Language relating to construction of charter school facilities is amended. Such facilities are not required to comply with the State Requirements for Educational Facilities (SREF) section of the Florida Building Code but may choose to comply. Facilities must comply with the Florida Fire Prevention Code. Language relating to the responsibility for code inspections is amended.

Charter schools are exempted from payment of fees for building licenses related to construction of the charter school.

If a charter school is specifically created to mitigate the educational impact created by the development of new residential dwelling units, language is added to the statutes to allow impact fees, specifically charged to the new development, to be used to pay for the concurrent construction of charter schools to mitigate the impact of the new residential development. Such facilities must be constructed to comply with the State Requirements for Educational Facilities section of the Florida Building Code. Language relating to ownership of a facility used for a charter school which is not renewed or which is no longer used for educational purposes is added.

The list of administrative services which are required to be provided by the sponsor of a charter school are amended to include the cost of required state or district assessments. The school district in which a charter school is located also must give the charter school access to the student information systems that are used by public schools in the district. A prohibition is added to the statutes to limit the amount of the administrative assessment to the 5 percent set in statute. Additional grounds for an appeal before the Charter School Appeal Commission are included.

The Department of Education is required to conduct a study of transportation issues as they relate to charter schools. Specific issues to be included in the study are identified.

The name of the Florida State University Charter Lab K-12 School in Broward County is amended to reflect the correct name.

Funding calculations for lab schools are to be based on the county in which the school is located.

A severability clause is provided.

The Committee Substitute substantially amends the following sections of the Florida Statutes: 1002.32 and 1002.33.

II. Present Situation:

Section 1002.33, Florida Statutes, authorizes charter schools. Charter schools are public schools operated pursuant to a performance contract (or charter) that frees them from many of the statutes and rules that govern traditional public schools, but which holds the school accountable for academic and financial results. Subsection 1002.33 (1), Florida Statutes, provides that a charter school may be formed by creating a new school or by converting an existing public school to charter status.

Guiding Principles: Currently, the statutory purposes of charter schools are:

Create innovative measurement tools.

Provide rigorous competition within the public school district to stimulate continual improvement in all public schools.

Expand the capacity of the public school system.

Application and Sponsors: Pursuant to s. 1002.33 (3), Florida Statutes, 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. Alternatively, a public school that has been in operation for at least two years may convert to a charter school pursuant to an application by the district school board, the principal, teachers, parents, and/or the school advisory council. Under current law, there is no provision to facilitate the conversion of a group of public schools other than through the individual application process.

The sponsor of a charter school is usually the district school board. Subsection 1002.33 (5), Florida Statutes, provides that a public community college may, in cooperation with the school board or boards within its service area, develop charter schools that offer secondary education and allow students to obtain an associate's degree upon graduation from high school. Also, a state university may grant a charter to a lab school, in which case the university is considered to be the charter lab school's sponsor.

Application Process and Review: A Charter School Appeals Commission is established to assist with review of appeals. Currently, the review of appeals is for:

Applicants whose charters have been denied; or

Applicants whose charter contracts have not been renewed by their sponsors.

Unencumbered Capital Outlay Funds: When a charter is not renewed or is terminated by the sponsor (the district), any unencumbered public funds from the charter school revert to the district school board.

Municipal Charter Schools: The cities of Pembroke Pines and Coral Springs have established municipal charter schools. Both cities' approved charter applications established "feeder patterns" for their schools to establish a cohesive educational system and enable charter school students to move through each level of school without reapplication. In each municipality the schools share administration and operate under one common governing board. Before the School Code Rewrite, the unique nature of the municipal feeder school pattern was recognized in the School Code. Reference to the municipal feeder school pattern was deleted during the School Code Rewrite.

Funding of Charter School Student Enrollments: A charter school is a public school. Students enrolled in a charter school are funded in the same way as all other public school students in the school district. Each charter school must report its student enrollment to the school district and the school district, in turn, includes the charter school's student enrollment in its report of student enrollment that is submitted to the state for funding and reporting purposes.

Facilities: Florida Statutes require charter school facilities to comply with the:

State Uniform Building Code for Public Educational Facilities Construction (State Requirements for Educational Facilities) adopted by the Florida Building Commission within the Florida Building Code or applicable state minimum building codes in the Florida Building Code.

State minimum fire protection codes, which are the Florida Fire Prevention Code and the Life Safety Code adopted by the State Fire Marshal. Section 633.025, Florida Statutes, requires each municipality, county, and special district with firesafety responsibility to enforce the Florida Fire Prevention Code and Life Safety Code as the minimum firesafety code; however, the local authority may adopt more stringent firesafety standards.

Fees: Charter school facilities are exempt from the following fees:

Assessments of fees for building permits, except for those that are for the enforcement of the Florida Building Code.

Assessments of impact fees or service availability fees.

Inspections: The local school district in conjunction with the local fire marshal has jurisdiction for inspection of a facility and issuance of a certificate of occupancy. Inspections must be performed jointly by the local school district and the local fire marshal.

Subsection 1013.38 (1), Florida Statutes, provides that school boards shall ensure that all new construction, renovation, remodeling, day labor, and maintenance projects conform to the appropriate sections of the Florida Building Code, Florida Fire Prevention Code, or where applicable as authorized in other sections of law, other building codes, and life safety codes.

Chapter 553, Florida Statutes, is known as the "Florida Building Codes Act." Subsection (6) requires public school districts to enforce building code compliance for their building projects, but does not limit the authority of the local government or code enforcement district to ensure that facilities comply with the Florida Building Code or to limit the authority of the fire official to conduct firesafety inspections.

Services: The charter school sponsor must provide the following administrative and educational services to charter schools:

- Contract management services
- Full-time equivalent and data reporting services
- Exceptional student education administration services
- Test administration services
- Processing of teacher certificate data services
- Information services

Administrative fees for the above services that may be charged by the district to a charter school are 5 percent of the available per student FEFP funds. However, there is a cap on administrative fees that the district may charge. For schools with 501 students and above, the calculation is made only on 500 students. Any charter school with an enrollment of 501 or more calculates the 5 percent for those students over 500, but retains the additional calculated amount which may be used only for capital outlay purposes. Goods and services provided by the school district to the charter school through the contract must be provided for no more than the actual cost.

Transportation: Transportation of charter school students must be provided by the charter school consistent with the requirements for transportation of all public K-12 students. The charter school may provide the transportation services through a contractual arrangement or an agreement with the district school board, a private provider, or parents.

Lab Schools: The 2003 Legislature limited the ability of a university to sponsor more than one lab school. Three existing charter lab schools authorized prior to June 1, 2003 were specifically

exempted from the limitation. A mistake was made in the name of the charter lab school in Pembroke Pines. The actual charter is for a K-12 school rather than an elementary school as stated in the legislation.

III. Effect of Proposed Changes:

The Committee Substitute:

Adds mitigation of the impact created by the development of new residential housing to the list of purposes for charter schools.

Allows an appeal to the Charter School Appeal Commission as a way to settle disputes when disputes between the charter school and its sponsor over contract negotiations have not been resolved through mediation.

Provides that unencumbered state capital outlay funds provided to a charter school which is not renewed or is terminated shall revert to the Department of Education to be redistributed among eligible charter schools.

Directs that after each individual charter school application from a municipality has been approved by the district school board, a charter school feeder pattern of schools shall be considered as one charter school for purposes of section 1002.33, Florida Statutes.

Requires charter school facilities to comply with the Florida Building Code and the Florida Fire Prevention Code. Charter school facilities are exempted from required compliance with the State Requirements for Educational Facilities (SREF) section of the Florida Building Code, but may choose to comply with that section. Further, the Committee Substitute prohibits a local governing authority from adopting or imposing local building requirements or restrictions that are more stringent than those found in the Florida Building Code. Finally, the inspecting agency for a charter school facility is specified to be the local municipality or, if in an unincorporated area, the county governing authority.

Exempts charter school facilities from fees for building licenses.

Allows educational impact fees from new residential housing developments to be targeted for the construction of charter schools specifically created to mitigate the educational impact of the new residential dwellings. Such facilities must be owned by a public or nonprofit entity. Charter schools built with impact fee revenue must comply with the State Requirements for Educational Facilities (SREF) section of the Florida Building Code. The local school district retains the right to monitor and inspect such facilities. If the facility ceases to be used for educational purposes, the facilities revert to the school district subject to any debt owed on the facility, or to the owner of the facility if he refunds all educational impact fees utilized for the facility. The school district and the owner may contractually agree to another arrangement. An agreement between the party responsible for payment of the educational impact fees and the local zoning

authority levying the educational impact fees is required. The contract must designate the amount of fees which will be allocated for the charter school student stations and must ensure concurrent construction of the charter school student stations with construction of the new residential dwellings.

Requires the charter school sponsor to pay for the costs of state or district required assessments and requires the charter schools to have equal access to student information systems that are used by the public schools in the same district. A charter school sponsor is prohibited from charging any additional fee or surcharge above the 5 percent administrative fee. Additional goods or services may be made available to the charter school through a contract with the sponsor. Disputes between the parties which cannot be settled through mediation relating to contracted services or contractual matters may be appealed for a dispute resolution hearing before the Charter School Appeal Commission.

Directs the Department of Education to conduct a study of transportation issues related to charter schools with specific subjects to be included in the study. Results of the study are to be presented to the President of the Senate, Speaker of the House of Representatives, and the Charter School Appeal Commission. The report is due no later than November 1, 2004.

Corrects the statutory name of the Florida State University Charter Lab K-12 School in Broward County.

Clarifies language relating to the funding of lab schools to specify that the funding calculations shall be based on the county in which the lab school is located.

Provides a severability clause.

The effective date of the Committee Substitute is July 1, 2004.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Economic Impact and Fiscal Note:**A. Tax/Fee Issues:**

Sufficient information is not available to estimate the revenue that might be received from a targeted impact fee assessment under the provisions of the Committee Substitute however; the funds directed to the charter school construction would reduce by the same amount the funds available to the school district from a county-wide assessment.

B. Private Sector Impact:

If additional charter schools were created as a result of the Committee Substitute, parents and students would have additional educational options.

If impact fees were adopted to pay for the charter schools created pursuant to the Committee Substitute, developers/homebuyers would pay the cost of the impact fee.

C. Government Sector Impact:

State-required tests are furnished by the state at no cost to public schools. Districts are responsible for training monitors and test coordinators who are responsible for pick up and return of tests and results. School districts that have been passing along the cost of district tests and any charges related to state required testing would no longer be allowed to pass that cost on to charter schools.

Inspectors of the local governmental authority that would issue a certificate of occupancy for a charter school would conduct the required inspections for compliance with building and safety codes. This would be an increase in workload for the local governing agency for each charter school constructed.

The Department of Education indicates the cost of the study required by the Committee Substitute would be between \$8,000 and \$12,000 and would be absorbed by the Department.

Educational impact fees are levied in a district to meet facility needs identified by the school district in its educational plant survey. If educational impact fees are redirected to either construct facilities in a location not identified in the district's plan or to build a school at a different education level than one in the plan, the district will lose revenue it would have planned to have available to meet the needs identified by the educational plant survey.

VI. Technical Deficiencies:

None.

VII. Related Issues:

To the extent that an impact fee is received by a local school district, the diversion of a portion of that fee to pay for a charter school's facilities might impact the ability of the district to construct planned schools or meet debt obligations agreed upon prior to the diversion.

There is no mandate that students living in a geographical locale must attend a charter school. If impact fees are used to pay for construction of charter school facilities associated with a particular development, and students choose to attend the public schools for which they are zoned, the charter school might not mitigate the enrollment growth resulting from a new development, and the impact funds would not be available for the construction of the additional public schools needed to house the growth in students.

VIII. Amendments:

None.

This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate.
