

CHAMBER ACTION

1 The Choice & Innovation Committee recommends the following:

2  
3 **Council/Committee Substitute**

4 Remove the entire bill and insert:

5 A bill to be entitled

6 An act relating to charter schools; amending s. 1002.33,  
7 F.S.; revising charter school purposes; revising the  
8 charter school application process including review,  
9 approval or denial, and appeal; modifying duties of  
10 sponsors; limiting liability of sponsors; requiring an  
11 annual survey of charter school governing boards;  
12 requiring the Department of Education to provide technical  
13 assistance to charter school applicants; revising  
14 provisions relating to a charter agreement, term, and  
15 renewal; providing procedures when a state of financial  
16 emergency exists; revising causes for nonrenewal or  
17 termination of a charter; requiring the department to  
18 maintain a database of charter school applicants and  
19 contract operators; revising provisions relating to  
20 payment and reimbursement to a charter school by a school  
21 district; authorizing the State Board of Education to  
22 impose a fine on or withhold lottery funds from a school  
23 district for certain violations; requiring conversion

24 | charter schools to comply with certain facility  
 25 | requirements under specific situations; authorizing  
 26 | certain zoning and land use designations for certain  
 27 | charter school facilities; revising exemption from  
 28 | assessment of fees; providing for additional services to  
 29 | charter schools and revising administrative fee  
 30 | requirements; requiring the department to develop a  
 31 | standard format for applications, charters, and charter  
 32 | renewals; deleting a provision requiring a review of  
 33 | charter schools in 2005 by the Legislature; amending s.  
 34 | 218.39, F.S.; requiring that a charter school be notified  
 35 | of certain deteriorating financial conditions; amending s.  
 36 | 218.50, F.S.; modifying a short title; amending s.  
 37 | 218.501, F.S.; including charter schools in the statement  
 38 | of purpose relating to financial management; amending s.  
 39 | 218.503, F.S.; providing for charter schools to be subject  
 40 | to provisions governing financial emergencies; providing  
 41 | procedures; amending s. 218.504, F.S.; providing for  
 42 | cessation of state action related to a state of financial  
 43 | emergency; amending s. 11.45, F.S.; conforming provisions;  
 44 | amending s. 166.271, F.S.; correcting cross references;  
 45 | amending s. 1002.32, F.S.; providing that a charter lab  
 46 | school that elects to provide student transportation is  
 47 | eligible for funding for that purpose; amending s.  
 48 | 1003.05, F.S.; modifying the list of special academic  
 49 | programs for transitioning students from military  
 50 | families; amending s. 1012.74, F.S.; providing that  
 51 | educator professional liability insurance shall cover

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52 | charter school personnel; amending s. 1013.62, F.S.;  
 53 | revising provisions relating to eligibility for and  
 54 | allocation of charter school capital outlay funding;  
 55 | revising purposes for which capital outlay funds may be  
 56 | used; providing effective dates.

57 |

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

59 |

60 | Section 1. Section 1002.33, Florida Statutes, is amended  
 61 | to read:

62 | 1002.33 Charter schools.--

63 | (1) AUTHORIZATION.--Charter schools shall be part of the  
 64 | state's program of public education. All charter schools in  
 65 | Florida are public schools. A charter school may be formed by  
 66 | creating a new school or converting an existing public school to  
 67 | charter status. A public school may not use the term charter in  
 68 | its name unless it has been approved under this section.

69 | (2) GUIDING PRINCIPLES; PURPOSE.--

70 | (a) Charter schools in Florida shall be guided by the  
 71 | following principles:

72 | 1. Meet high standards of student achievement while  
 73 | providing parents flexibility to choose among diverse  
 74 | educational opportunities within the state's public school  
 75 | system.

76 | 2. Promote enhanced academic success and financial  
 77 | efficiency by aligning responsibility with accountability.

78 | 3. Provide parents with sufficient information on whether  
 79 | their child is reading at grade level and whether the child

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80 gains at least a year's worth of learning for every year spent  
81 in the charter school.

82 (b) Charter schools shall fulfill one of the following  
83 purposes:

84 1. Improve student learning and academic achievement.

85 2. Increase learning opportunities for all students, with  
86 special emphasis on low-performing students and reading.

87 ~~3. Create new professional opportunities for teachers,~~  
88 ~~including ownership of the learning program at the school site.~~

89 ~~4. Encourage the use of innovative learning methods.~~

90 ~~5. Require the measurement of learning outcomes.~~

91 (c) Charter schools may fulfill the following purposes:

92 1. Create innovative measurement tools.

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

96 3. Expand the capacity of the public school system.

97 4. Mitigate the educational impact created by the  
98 development of new residential dwelling units.

99 5. Create new professional opportunities for teachers,  
100 including ownership of the learning program at the school site.

101 6. Encourage the use of innovative learning methods.

102 7. Require the measurement of learning outcomes.

103 (3) APPLICATION FOR CHARTER STATUS.--

104 (a) An application for a new charter school may be made by  
105 an individual, teachers, parents, a group of individuals, a  
106 municipality, or a legal entity organized under the laws of this  
107 state.

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108 (b) An application for a conversion charter school shall  
 109 be made by the district school board, the principal, teachers,  
 110 parents, and/or the school advisory council at an existing  
 111 public school that has been in operation for at least 2 years  
 112 prior to the application to convert, ~~including~~ A public school-  
 113 within-a-school that is designated as a school by the district  
 114 school board may also submit an application to convert to  
 115 charter status. An application submitted proposing to convert an  
 116 existing public school to a charter school shall demonstrate the  
 117 support of at least 50 percent of the teachers employed at the  
 118 school and 50 percent of the parents voting whose children are  
 119 enrolled at the school, provided that a majority of the parents  
 120 eligible to vote participate in the ballot process, according to  
 121 rules adopted by the State Board of Education. A district school  
 122 board denying an application for a conversion charter school  
 123 shall provide notice of denial to the applicants in writing  
 124 within 10 ~~30~~ days after the meeting at which the district school  
 125 board denied the application. The notice must identify ~~specify~~  
 126 the specific ~~exact~~ reasons for denial and must provide  
 127 documentation supporting those reasons. A private school,  
 128 parochial school, or home education program shall not be  
 129 eligible for charter school status.

130 (4) UNLAWFUL REPRISAL.--

131 (a) No district school board, or district school board  
 132 employee who has control over personnel actions, shall take  
 133 unlawful reprisal against another district school board employee  
 134 because that employee is either directly or indirectly involved  
 135 with an application to establish a charter school. As used in

136 | this subsection, the term "unlawful reprisal" means an action  
 137 | taken by a district school board or a school system employee  
 138 | against an employee who is directly or indirectly involved in a  
 139 | lawful application to establish a charter school, which occurs  
 140 | as a direct result of that involvement, and which results in one  
 141 | or more of the following: disciplinary or corrective action;  
 142 | adverse transfer or reassignment, whether temporary or  
 143 | permanent; suspension, demotion, or dismissal; an unfavorable  
 144 | performance evaluation; a reduction in pay, benefits, or  
 145 | rewards; elimination of the employee's position absent of a  
 146 | reduction in workforce as a result of lack of moneys or work; or  
 147 | other adverse significant changes in duties or responsibilities  
 148 | that are inconsistent with the employee's salary or employment  
 149 | classification. The following procedures shall apply to an  
 150 | alleged unlawful reprisal that occurs as a consequence of an  
 151 | employee's direct or indirect involvement with an application to  
 152 | establish a charter school:

153 |         1. Within 60 days after the date upon which a reprisal  
 154 | prohibited by this subsection is alleged to have occurred, an  
 155 | employee may file a complaint with the Department of Education.

156 |         2. Within 3 working days after receiving a complaint under  
 157 | this section, the Department of Education shall acknowledge  
 158 | receipt of the complaint and provide copies of the complaint and  
 159 | any other relevant preliminary information available to each of  
 160 | the other parties named in the complaint, which parties shall  
 161 | each acknowledge receipt of such copies to the complainant.

162 |         3. If the Department of Education determines that the  
 163 | complaint demonstrates reasonable cause to suspect that an

164 unlawful reprisal has occurred, the Department of Education  
165 shall conduct an investigation to produce a fact-finding report.

166 4. Within 90 days after receiving the complaint, the  
167 Department of Education shall provide the district school  
168 superintendent of the complainant's district and the complainant  
169 with a fact-finding report that may include recommendations to  
170 the parties or a proposed resolution of the complaint. The fact-  
171 finding report shall be presumed admissible in any subsequent or  
172 related administrative or judicial review.

173 5. If the Department of Education determines that  
174 reasonable grounds exist to believe that an unlawful reprisal  
175 has occurred, is occurring, or is to be taken, and is unable to  
176 conciliate a complaint within 60 days after receipt of the fact-  
177 finding report, the Department of Education shall terminate the  
178 investigation. Upon termination of any investigation, the  
179 Department of Education shall notify the complainant and the  
180 district school superintendent of the termination of the  
181 investigation, providing a summary of relevant facts found  
182 during the investigation and the reasons for terminating the  
183 investigation. A written statement under this paragraph is  
184 presumed admissible as evidence in any judicial or  
185 administrative proceeding.

186 6. The Department of Education shall either contract with  
187 the Division of Administrative Hearings under s. 120.65, or  
188 otherwise provide for a complaint for which the Department of  
189 Education determines reasonable grounds exist to believe that an  
190 unlawful reprisal has occurred, is occurring, or is to be taken,  
191 and is unable to conciliate, to be heard by a panel of impartial

192 persons. Upon hearing the complaint, the panel shall make  
 193 findings of fact and conclusions of law for a final decision by  
 194 the Department of Education.

195  
 196 It shall be an affirmative defense to any action brought  
 197 pursuant to this section that the adverse action was predicated  
 198 upon grounds other than, and would have been taken absent, the  
 199 employee's exercise of rights protected by this section.

200 (b) In any action brought under this section for which it  
 201 is determined reasonable grounds exist to believe that an  
 202 unlawful reprisal has occurred, is occurring, or is to be taken,  
 203 the relief shall include the following:

204 1. Reinstatement of the employee to the same position held  
 205 before the unlawful reprisal was commenced, or to an equivalent  
 206 position, or payment of reasonable front pay as alternative  
 207 relief.

208 2. Reinstatement of the employee's full fringe benefits  
 209 and seniority rights, as appropriate.

210 3. Compensation, if appropriate, for lost wages, benefits,  
 211 or other lost remuneration caused by the unlawful reprisal.

212 4. Payment of reasonable costs, including attorney's fees,  
 213 to a substantially prevailing employee, or to the prevailing  
 214 employer if the employee filed a frivolous action in bad faith.

215 5. Issuance of an injunction, if appropriate, by a court  
 216 of competent jurisdiction.

217 6. Temporary reinstatement to the employee's former  
 218 position or to an equivalent position, pending the final outcome  
 219 of the complaint, if it is determined that the action was not

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220 made in bad faith or for a wrongful purpose, and did not occur  
 221 after a district school board's initiation of a personnel action  
 222 against the employee that includes documentation of the  
 223 employee's violation of a disciplinary standard or performance  
 224 deficiency.

225 (5) SPONSOR; DUTIES; LIABILITY; SURVEY.--

226 (a) Sponsoring entities.--

227 1. A district school board may sponsor a charter school in  
 228 the county over which the district school board has  
 229 jurisdiction.

230 2. A state university may grant a charter to a lab school  
 231 created under s. 1002.32 and shall be considered to be the  
 232 school's sponsor. Such school shall be considered a charter lab  
 233 school.

234 (b) Sponsor duties.--

235 1. The sponsor shall monitor and review the charter school  
 236 in its progress toward the goals established in the charter.

237 2. The sponsor shall monitor the revenues and expenditures  
 238 of the charter school.

239 3. The sponsor may approve a charter for a charter school  
 240 before the applicant has secured space, equipment, or personnel,  
 241 if the applicant indicates approval is necessary for it to raise  
 242 working funds ~~capital~~.

243 4. The sponsor's policies shall not apply to a charter  
 244 school.

245 5. The sponsor shall ensure that the charter is innovative  
 246 and consistent with the state education goals established by s.  
 247 1000.03(5).

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248           6. The sponsor shall ensure that the charter school  
249 participates in the state's education accountability system. If  
250 a charter school falls short of performance measures included in  
251 the approved charter, the sponsor shall report such shortcomings  
252 to the Department of Education.

253           7. The sponsor shall provide assistance in scheduling fire  
254 code inspections upon the request of the charter school.

255           8. The director and a representative of the governing  
256 board of a charter school graded "D" or "F" shall appear before  
257 the sponsor at a formal district school board meeting or state  
258 university board of trustees meeting at least once a year to  
259 present information concerning each contract component having  
260 noted deficiencies and to address corrective strategies that are  
261 being implemented by the school. The sponsor shall communicate  
262 at the meeting, and in writing to the director, the services  
263 provided to the school to help the school address its  
264 deficiencies.

265  
266 A community college may work with the school district or school  
267 districts in its designated service area to develop charter  
268 schools that offer secondary education. These charter schools  
269 must include an option for students to receive an associate  
270 degree upon high school graduation. District school boards shall  
271 cooperate with and assist the community college on the charter  
272 application. Community college applications for charter schools  
273 are not subject to the time deadlines outlined in subsection (6)  
274 and may be approved by the district school board at any time  
275 during the year. Community colleges shall not report FTE for any

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276 | students who receive FTE funding through the Florida Education  
277 | Finance Program.

278 |       (c) Sponsor liability.--A district school board sponsoring  
279 | a charter school shall not be liable for damages resulting from  
280 | the acts or omissions of the charter school's governing board,  
281 | agents, or employees unless such act or omission was based upon  
282 | requirements or policies of the district school board.

283 |       (d) Annual survey.--The department shall conduct an annual  
284 | survey of charter school governing boards to determine the  
285 | boards' satisfaction with the services received from their  
286 | sponsors and the Department of Education. The survey results  
287 | shall be reported to the State Board of Education which may  
288 | recommend action for sponsors having an inordinate number of  
289 | complaints or sponsors that have been determined not to have  
290 | fulfilled their responsibilities as described in this section.

291 |       (6) APPLICATION PROCESS AND REVIEW.--Charter school  
292 | ~~Beginning September 1, 2003,~~ applications are subject to the  
293 | following requirements:

294 |       (a) A person or entity wishing to open a charter school  
295 | shall prepare an application that:

296 |           1. Demonstrates how the school will use the guiding  
297 | principles and meet the statutorily defined purpose of a charter  
298 | school.

299 |           2. Provides a detailed curriculum plan that illustrates  
300 | how students will be provided services to attain the Sunshine  
301 | State Standards.

302 |           3. Contains goals and objectives for improving student  
303 | learning and measuring that improvement. These goals and

304 objectives must indicate how much academic improvement students  
 305 are expected to show each year, how success will be evaluated,  
 306 and the specific results to be attained through instruction.

307 4. Describes the reading curriculum and differentiated  
 308 strategies that will be used for students reading at grade level  
 309 or higher and a separate curriculum and strategies for students  
 310 who are reading below grade level. A sponsor shall deny a  
 311 charter if the school does not propose a reading curriculum that  
 312 is consistent with effective teaching strategies that are  
 313 grounded in scientifically based reading research.

314 5. Contains an annual financial plan for each year  
 315 requested by the charter for operation of the school for up to 5  
 316 years. This plan must contain anticipated fund balances based on  
 317 revenue projections, a spending plan based on projected revenues  
 318 and expenses, and a description of controls that will safeguard  
 319 finances and projected enrollment trends.

320 (b) A district school board shall receive and review all  
 321 applications for a charter school. Beginning with the 2005-2006  
 322 school year, a district school board shall receive and consider  
 323 charter school applications received on or before August  
 324 ~~September~~ 1 of each calendar year for charter schools to be  
 325 opened at the beginning of the school district's next school  
 326 year, or to be opened at a time agreed to by the applicant and  
 327 the district school board. A district school board may receive  
 328 applications later than this date if it chooses. A sponsor may  
 329 not charge an applicant for a charter any fee for the processing  
 330 or consideration of an application, and a sponsor may not base

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331 its consideration or approval of an application upon the promise  
332 of future payment of any kind.

333 1. In order to facilitate an accurate budget projection  
334 process, a district school board shall be held harmless for FTE  
335 students who are not included in the FTE projection due to  
336 approval of charter school applications after the FTE projection  
337 deadline. In a further effort to facilitate an accurate budget  
338 projection, within 15 calendar days after receipt of a charter  
339 school application, a district school board or other sponsor  
340 shall report to the Department of Education the name of the  
341 applicant entity, the proposed charter school location, and its  
342 projected FTE.

343 2. In order to ensure fiscal responsibility, an  
344 application for a charter school shall include a full accounting  
345 of expected assets, a projection of expected sources and amounts  
346 of income, including income derived from projected student  
347 enrollments and from community support, and an expense  
348 projection that includes full accounting of the costs of  
349 operation, including start-up costs.

350 3. A district school board shall by a majority vote  
351 approve or deny an application no later than 60 calendar days  
352 after the application is received, unless the district school  
353 board and the applicant mutually agree in writing to temporarily  
354 postpone the vote to a specific date, at which time the district  
355 school board shall by a majority vote approve or deny the  
356 application. If the district school board fails to act on the  
357 application, an applicant may appeal to the State Board of  
358 Education as provided in paragraph (c). If an application is

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359 | denied, the district school board shall, within 10 calendar  
 360 | days, articulate in writing the specific reasons for ~~based upon~~  
 361 | ~~good cause supporting~~ its denial of the charter application and  
 362 | must provide documentation to the applicant and to the  
 363 | Department of Education supporting those reasons.

364 |         4. For budget projection purposes, the district school  
 365 | board or other sponsor shall report to the Department of  
 366 | Education the approval or denial of a charter application within  
 367 | 10 calendar days after such approval or denial. In the event of  
 368 | approval, the report to the Department of Education shall  
 369 | include the final projected FTE for the approved charter school.

370 |         5. Upon approval of a charter application, the initial  
 371 | startup shall commence with the beginning of the public school  
 372 | calendar for the district in which the charter is granted unless  
 373 | the district school board allows a waiver of this provision ~~for~~  
 374 | ~~good cause.~~

375 |         (c) An applicant may appeal any denial of that applicant's  
 376 | application or failure to act on an application to the State  
 377 | Board of Education no later than 30 calendar days after receipt  
 378 | of the district school board's decision or failure to act and  
 379 | shall notify the district school board of its appeal. Any  
 380 | response of the district school board shall be submitted to the  
 381 | State Board of Education within 30 calendar days after  
 382 | notification of the appeal. Upon receipt of notification from  
 383 | the State Board of Education that a charter school applicant is  
 384 | filing an appeal, the Commissioner of Education shall convene a  
 385 | meeting of the Charter School Appeal Commission to study and  
 386 | make recommendations to the State Board of Education regarding

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387 | its pending decision about the appeal. The commission shall  
388 | forward its recommendation to the state board no later than 7  
389 | calendar days prior to the date on which the appeal is to be  
390 | heard. The State Board of Education shall by majority vote  
391 | accept or reject the decision of the district school board no  
392 | later than 90 calendar days after an appeal is filed in  
393 | accordance with State Board of Education rule. The Charter  
394 | School Appeal Commission may reject an appeal submission for  
395 | failure to comply with procedural rules governing the appeals  
396 | process. The rejection shall describe the submission errors. The  
397 | appellant may have up to 15 calendar days from notice of  
398 | rejection to resubmit an appeal that meets requirements of State  
399 | Board of Education rule. An application for appeal submitted  
400 | subsequent to such rejection shall be considered timely if the  
401 | original appeal was filed within 30 calendar days after receipt  
402 | of notice of the specific reasons for the district school  
403 | board's denial of the charter application. The State Board of  
404 | Education shall remand the application to the district school  
405 | board with its written decision that the district school board  
406 | approve or deny the application. The district school board shall  
407 | implement the decision of the State Board of Education. The  
408 | decision of the State Board of Education is not subject to the  
409 | provisions of the Administrative Procedure Act, chapter 120.

410 |       (d) The district school board shall act upon the decision  
411 | of the State Board of Education within 30 calendar days after it  
412 | is received. The State Board of Education's decision is a final  
413 | action subject to judicial review.

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414 (e)1. A Charter School Appeal Commission is established to  
 415 assist the commissioner and the State Board of Education with a  
 416 fair and impartial review of appeals by applicants whose charter  
 417 applications have been denied, whose charter contracts have not  
 418 been renewed, or whose charter contracts have been terminated by  
 419 their sponsors, ~~or whose disputes over contract negotiations~~  
 420 ~~have not been resolved through mediation.~~

421 2. The Charter School Appeal Commission may receive copies  
 422 of the appeal documents forwarded to the State Board of  
 423 Education, review the documents, gather other applicable  
 424 information regarding the appeal, and make a written  
 425 recommendation to the commissioner. The recommendation must  
 426 state whether the appeal should be upheld or denied and include  
 427 the reasons for the recommendation being offered. The  
 428 commissioner shall forward the recommendation to the State Board  
 429 of Education no later than 7 calendar days prior to the date on  
 430 which the appeal is to be heard. The state board must consider  
 431 the commission's recommendation in making its decision, but is  
 432 not bound by the recommendation. The decision of the Charter  
 433 School Appeal Commission is not subject to the provisions of the  
 434 Administrative Procedure Act, chapter 120.

435 3. The commissioner shall appoint the members of the  
 436 Charter School Appeal Commission. Members shall serve without  
 437 compensation but may be reimbursed for travel and per diem  
 438 expenses in conjunction with their service. One-half of the  
 439 members must represent currently operating charter schools, and  
 440 one-half of the members must represent school districts. The

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441 commissioner or a named designee shall chair the Charter School  
442 Appeal Commission.

443 4. The chair shall convene meetings of the commission and  
444 shall ensure that the written recommendations are completed and  
445 forwarded in a timely manner. In cases where the commission  
446 cannot reach a decision, the chair shall make the written  
447 recommendation with justification, noting that the decision was  
448 rendered by the chair.

449 5. Commission members shall thoroughly review the  
450 materials presented to them from the appellant and the sponsor.  
451 The commission may request information to clarify the  
452 documentation presented to it. In the course of its review, the  
453 commission may facilitate the postponement of an appeal in those  
454 cases where additional time and communication may negate the  
455 need for a formal appeal and both parties agree, in writing, to  
456 postpone the appeal to the State Board of Education. A new date  
457 certain for the appeal shall then be set based upon the rules  
458 and procedures of the State Board of Education. Commission  
459 members shall provide a written recommendation to the state  
460 board as to whether the appeal should be upheld or denied. A  
461 fact-based justification for the recommendation must be  
462 included. The chair must ensure that the written recommendation  
463 is submitted to the State Board of Education members no later  
464 than 7 calendar days prior to the date on which the appeal is to  
465 be heard. Both parties in the case shall also be provided a copy  
466 of the recommendation.

467 (f) The Department of Education must offer or arrange for  
468 training and technical assistance to charter school applicants

469 | in developing business plans and estimating costs and income.  
 470 | This assistance must address estimating startup costs,  
 471 | projecting enrollment, and identifying the types and amounts of  
 472 | state and federal financial assistance the charter school will  
 473 | be eligible to receive. The department of ~~Education~~ may provide  
 474 | other technical assistance to an applicant upon written request.

475 | (g) In considering charter applications for a lab school,  
 476 | a state university shall consult with the district school board  
 477 | of the county in which the lab school is located. The decision  
 478 | of a state university may be appealed pursuant to the procedure  
 479 | established in this subsection.

480 | (h) The terms and conditions for the operation of a  
 481 | charter school shall be set forth by the sponsor and the  
 482 | applicant in a written contractual agreement, called a charter.  
 483 | The sponsor shall not impose unreasonable rules or regulations  
 484 | that violate the intent of giving charter schools greater  
 485 | flexibility to meet educational goals. The applicant and sponsor  
 486 | shall have 3 ~~6~~ months in which to mutually agree to the  
 487 | provisions of the charter. The proposed charter must be provided  
 488 | to the charter school at least 7 calendar days prior to the date  
 489 | on which the charter is scheduled to be heard by the sponsor.

490 | The Department of Education shall provide mediation services for  
 491 | any dispute regarding this section subsequent to the approval of  
 492 | a charter application and for any dispute relating to the  
 493 | approved charter, except disputes regarding charter school  
 494 | application denials. If the Commissioner of Education determines  
 495 | that the dispute cannot be settled through mediation, the  
 496 | dispute may be appealed to an administrative law judge appointed

497 | by the Division of Administrative Hearings. The administrative  
 498 | law judge may rule on issues of equitable treatment of the  
 499 | charter school as a public school, whether proposed provisions  
 500 | of the charter violate the intended flexibility granted charter  
 501 | schools by statute, or on any other matter regarding this  
 502 | section except a charter school application denial, a charter  
 503 | termination, or a charter nonrenewal and shall award the  
 504 | prevailing party reasonable attorney's fees and costs incurred  
 505 | to be paid by the losing party. The costs of the administrative  
 506 | hearing shall be paid by the party whom the administrative law  
 507 | judge rules against.

508 | (7) CHARTER.--The major issues involving the operation of  
 509 | a charter school shall be considered in advance and written into  
 510 | the charter. The charter shall be signed by the governing body  
 511 | of the charter school and the sponsor, following a public  
 512 | hearing to ensure community input.

513 | (a) The charter shall address, and criteria for approval  
 514 | of the charter shall be based on:

515 | 1. The school's mission, the students to be served, and  
 516 | the ages and grades to be included.

517 | 2. The focus of the curriculum, the instructional methods  
 518 | to be used, any distinctive instructional techniques to be  
 519 | employed, and identification and acquisition of appropriate  
 520 | technologies needed to improve educational and administrative  
 521 | performance which include a means for promoting safe, ethical,  
 522 | and appropriate uses of technology which comply with legal and  
 523 | professional standards. The charter shall ensure that reading is  
 524 | a primary focus of the curriculum and that resources are

525 | provided to identify and provide specialized instruction for  
 526 | students who are reading below grade level. The curriculum and  
 527 | instructional strategies for reading must be consistent with the  
 528 | Sunshine State Standards and grounded in scientifically based  
 529 | reading research.

530 |         3. The current incoming baseline standard of student  
 531 | academic achievement, the outcomes to be achieved, and the  
 532 | method of measurement that will be used. The criteria listed in  
 533 | this subparagraph shall include a detailed description for each  
 534 | of the following:

535 |             a. How the baseline student academic achievement levels  
 536 | and prior rates of academic progress will be established.

537 |             b. How these baseline rates will be compared to rates of  
 538 | academic progress achieved by these same students while  
 539 | attending the charter school.

540 |             c. To the extent possible, how these rates of progress  
 541 | will be evaluated and compared with rates of progress of other  
 542 | closely comparable student populations.

543 |  
 544 | The district school board is required to provide academic  
 545 | student performance data to charter schools for each of their  
 546 | students coming from the district school system, as well as  
 547 | rates of academic progress of comparable student populations in  
 548 | the district school system.

549 |         4. The methods used to identify the educational strengths  
 550 | and needs of students and how well educational goals and  
 551 | performance standards are met by students attending the charter  
 552 | school. Included in the methods is a means for the charter

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

558 |         5. In secondary charter schools, a method for determining  
 559 | that a student has satisfied the requirements for graduation in  
 560 | s. 1003.43.

561 |         6. A method for resolving conflicts between the governing  
 562 | body of the charter school and the sponsor.

563 |         7. The admissions procedures and dismissal procedures,  
 564 | including the school's code of student conduct.

565 |         8. The ways by which the school will achieve a  
 566 | racial/ethnic balance reflective of the community it serves or  
 567 | within the racial/ethnic range of other public schools in the  
 568 | same school district.

569 |         9. The financial and administrative management of the  
 570 | school, including a reasonable demonstration of the professional  
 571 | experience or competence of those individuals or organizations  
 572 | applying to operate the charter school or those hired or  
 573 | retained to perform such professional services and the  
 574 | description of clearly delineated responsibilities and the  
 575 | policies and practices needed to effectively manage the charter  
 576 | school. A description of internal audit procedures and  
 577 | establishment of controls to ensure that financial resources are  
 578 | properly managed must be included. Both public sector and  
 579 | private sector professional experience shall be equally valid in  
 580 | such a consideration.

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581           10. The asset and liability projections required in the  
582 application which are incorporated into the charter and which  
583 shall be compared with information provided in the annual report  
584 of the charter school. The charter shall ensure that, if a  
585 charter school internal audit or annual financial audit reveals  
586 a state of financial emergency as defined in s. 218.503 or  
587 deficit financial position, the auditors are required to notify  
588 the charter school governing board, the sponsor, and the  
589 Department of Education. The internal auditor shall report such  
590 findings in the form of an exit interview to the principal or  
591 the principal administrator of the charter school and the chair  
592 of the governing board within 7 working days after finding the  
593 state of financial emergency or deficit position. A final report  
594 shall be provided to the entire governing board, the sponsor,  
595 and the Department of Education within 14 working days after the  
596 exit interview. When a charter school is in a state of financial  
597 emergency, the charter school shall file a detailed financial  
598 recovery plan with the sponsor. The department shall establish  
599 guidelines, with involvement from both school districts and  
600 charter schools, for developing such plans.

601           11. A description of procedures that identify various  
602 risks and provide for a comprehensive approach to reduce the  
603 impact of losses; plans to ensure the safety and security of  
604 students and staff; plans to identify, minimize, and protect  
605 others from violent or disruptive student behavior; and the  
606 manner in which the school will be insured, including whether or  
607 not the school will be required to have liability insurance,

608 and, if so, the terms and conditions thereof and the amounts of  
609 coverage.

610 12. The term of the charter which shall provide for  
611 cancellation of the charter if insufficient progress has been  
612 made in attaining the student achievement objectives of the  
613 charter and if it is not likely that such objectives can be  
614 achieved before expiration of the charter. The initial term of a  
615 charter shall be for ~~3~~<sup>4</sup> or 5 years. In order to facilitate  
616 access to long-term financial resources for charter school  
617 construction, charter schools that are operated by a  
618 municipality or other public entity as provided by law are  
619 eligible for up to a 15-year charter, subject to approval by the  
620 district school board. A charter lab school is eligible for a  
621 charter for a term of up to 15 years. In addition, to facilitate  
622 access to long-term financial resources for charter school  
623 construction, charter schools that are operated by a private,  
624 not-for-profit, s. 501(c)(3) status corporation are eligible for  
625 up to a 15-year ~~10-year~~ charter, subject to approval by the  
626 district school board. Such long-term charters remain subject to  
627 annual review and may be terminated during the term of the  
628 charter, but only ~~for specific good cause~~ according to the  
629 provisions set forth in subsection (8).

630 13. The facilities to be used and their location.

631 14. The qualifications to be required of the teachers and  
632 the potential strategies used to recruit, hire, train, and  
633 retain qualified staff to achieve best value.

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634           15. The governance structure of the school, including the  
635 status of the charter school as a public or private employer as  
636 required in paragraph (12)(i).

637           16. A timetable for implementing the charter which  
638 addresses the implementation of each element thereof and the  
639 date by which the charter shall be awarded in order to meet this  
640 timetable.

641           17. In the case of an existing public school being  
642 converted to charter status, alternative arrangements for  
643 current students who choose not to attend the charter school and  
644 for current teachers who choose not to teach in the charter  
645 school after conversion in accordance with the existing  
646 collective bargaining agreement or district school board rule in  
647 the absence of a collective bargaining agreement. However,  
648 alternative arrangements shall not be required for current  
649 teachers who choose not to teach in a charter lab school, except  
650 as authorized by the employment policies of the state university  
651 which grants the charter to the lab school.

652           (b)1. A charter may be renewed ~~every 5 school years,~~  
653 provided that a program review demonstrates that the criteria in  
654 paragraph (a) have been successfully accomplished and that none  
655 of the grounds for nonrenewal established by paragraph (8)(a)  
656 has been documented. In order to facilitate long-term financing  
657 for charter school construction, charter schools operating for a  
658 minimum of 2 years and demonstrating exemplary academic  
659 programming and fiscal management are eligible for a 15-year  
660 charter renewal. Such long-term charter is subject to annual  
661 review and may be terminated during the term of the charter.

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662        2. The 15-year charter renewal that may be granted  
 663 pursuant to subparagraph 1. shall be granted to a charter school  
 664 that has received a school grade of "A" or "B" pursuant to s.  
 665 1008.34 in 3 of the past 4 years and is not in a state of  
 666 financial emergency or deficit position as defined by this  
 667 section. Such long-term charter is subject to annual review and  
 668 may be terminated during the term of the charter pursuant to  
 669 subsection (8).

670        (c) A charter may be modified during its initial term or  
 671 any renewal term upon the recommendation of the sponsor or the  
 672 charter school governing board and the approval of both parties  
 673 to the agreement.

674        (8) CAUSES FOR NONRENEWAL OR TERMINATION OF CHARTER.--

675        (a) At the end of the term of a charter, the sponsor may  
 676 choose not to renew the charter for any of the following  
 677 grounds:

678        1. Failure to participate in the state's education  
 679 accountability system created in s. 1008.31, as required in this  
 680 section, or failure to meet the requirements for student  
 681 performance stated in the charter.

682        2. Failure to meet generally accepted standards of fiscal  
 683 management.

684        3. Violation of law.

685        4. Determination by the sponsor that the health, safety,  
 686 or welfare of the students is threatened ~~Other good cause shown.~~

687        5. Failure of the director of a charter school having a  
 688 school performance grade of a "D" or "F" to appear before the  
 689 sponsoring body as required in subsection (5).

690 (b) During the term of a charter, the sponsor may  
 691 terminate the charter for any of the grounds listed in paragraph  
 692 (a).

693 (c) At least 90 days prior to renewing or terminating a  
 694 charter, the sponsor shall notify the governing body of the  
 695 school of the proposed action in writing. The notice shall state  
 696 in reasonable detail the grounds for the proposed action and  
 697 stipulate that the school's governing body may, within 14  
 698 calendar days after receiving the notice, request an informal  
 699 hearing before the sponsor. The sponsor shall conduct the  
 700 informal hearing within 30 calendar days after receiving a  
 701 written request. The charter school's governing body may, within  
 702 14 calendar days after receiving the sponsor's decision to  
 703 terminate or refuse to renew the charter, appeal the decision  
 704 pursuant to the procedure established in subsection (6).

705 (d) A charter may be terminated immediately if the sponsor  
 706 determines that ~~good cause has been shown or~~ if the health,  
 707 safety, or welfare of the students is threatened. The charter  
 708 sponsor must notify in writing the charter school's governing  
 709 board, the charter school principal, and the department if a  
 710 charter is immediately terminated. The sponsor shall clearly  
 711 identify the specific issues that resulted in the immediate  
 712 termination and provide evidence of prior notification of issues  
 713 resulting in the immediate termination when appropriate. The  
 714 school district in which the charter school is located shall  
 715 assume operation of the school under these circumstances. The  
 716 charter school's governing board may, within 14 days after  
 717 receiving the sponsor's decision to terminate the charter,

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718 | appeal the decision pursuant to the procedure established in  
719 | subsection (6).

720 |       (e) When a charter is not renewed or is terminated, the  
721 | school shall be dissolved under the provisions of law under  
722 | which the school was organized, and any unencumbered public  
723 | funds, except for capital outlay funds, from the charter school  
724 | shall revert to the district school board. Capital outlay funds  
725 | provided pursuant to s. 1013.62 that are unencumbered shall  
726 | revert to the department to be redistributed among eligible  
727 | charter schools. In the event a charter school is dissolved or  
728 | is otherwise terminated, all district school board property and  
729 | improvements, furnishings, and equipment purchased with public  
730 | funds shall automatically revert to full ownership by the  
731 | district school board, subject to complete satisfaction of any  
732 | lawful liens or encumbrances. Any unencumbered public funds from  
733 | the charter school, district school board property and  
734 | improvements, furnishings, and equipment purchased with public  
735 | funds, or financial or other records pertaining to the charter  
736 | school, in the possession of any person, entity, or holding  
737 | company, other than the charter school, shall be held in trust  
738 | upon the district school board's request, until any appeal  
739 | status is resolved.

740 |       (f) If a charter is not renewed or is terminated, the  
741 | charter school is responsible for all debts of the charter  
742 | school. The district may not assume the debt from any contract  
743 | for services made between the governing body of the school and a  
744 | third party, except for a debt that is previously detailed and  
745 | agreed upon in writing by both the district and the governing

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746 | body of the school and that may not reasonably be assumed to  
747 | have been satisfied by the district.

748 | (g) If a charter is not renewed or is terminated, a  
749 | student who attended the school may apply to, and shall be  
750 | enrolled in, another public school. Normal application deadlines  
751 | shall be disregarded under such circumstances.

752 | (9) CHARTER SCHOOL REQUIREMENTS.--

753 | (a) A charter school shall be nonsectarian in its  
754 | programs, admission policies, employment practices, and  
755 | operations.

756 | (b) A charter school shall admit students as provided in  
757 | subsection (10).

758 | (c) A charter school shall be accountable to its sponsor  
759 | for performance as provided in subsection (7).

760 | (d) A charter school shall not charge tuition or  
761 | registration fees, except those fees normally charged by other  
762 | public schools. However, a charter lab school may charge a  
763 | student activity and service fee as authorized by s. 1002.32(5).

764 | (e) A charter school shall meet all applicable state and  
765 | local health, safety, and civil rights requirements.

766 | (f) A charter school shall not violate the  
767 | antidiscrimination provisions of s. 1000.05.

768 | (g) A charter school shall provide for an annual financial  
769 | audit in accordance with s. 218.39. Financial audits that yield  
770 | a state of financial emergency as defined in s. 218.503 and are  
771 | conducted by a certified public accountant or auditor in  
772 | accordance with s. 218.39 shall be provided to the governing  
773 | board of the charter school within 7 working days after finding

774 that a state of financial emergency exists. When a charter  
 775 school is found to be in a state of financial emergency by a  
 776 certified public accountant or auditor, the charter school must  
 777 file a detailed financial recovery plan with the sponsor within  
 778 30 days after receipt of the audit.

779 (h) No organization shall hold more than 15 charters  
 780 statewide.

781 (i) Upon receipt of an application to operate a charter  
 782 school, the sponsor must notify the Department of Education of  
 783 the individual, group, organization, or private or nonprofit  
 784 company that submitted an application to operate a charter  
 785 school in this state or that is contracted with by the governing  
 786 board of a charter school to operate a charter school in this  
 787 state. The department shall maintain a database that contains  
 788 the name of each organization or entity applying for a charter  
 789 or operating by contract a charter school in this state,  
 790 principal contact information, a description of the organization  
 791 or entity, an identification of the number of charter  
 792 applications or contracts in the state, and disclosure of  
 793 charters terminated or renewed in this state and other states. A  
 794 sponsor may not approve an application for a charter unless the  
 795 governing board and contract operator of the school have  
 796 submitted a complete, accurate, and timely registration with the  
 797 department.

798 ~~(j)~~(i) In order to provide financial information that is  
 799 comparable to that reported for other public schools, charter  
 800 schools are to maintain all financial records which constitute  
 801 their accounting system:

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802           1. In accordance with the accounts and codes prescribed in  
803 the most recent issuance of the publication titled "Financial  
804 and Program Cost Accounting and Reporting for Florida Schools";  
805 or

806           2. At the discretion of the charter school governing  
807 board, a charter school may elect to follow generally accepted  
808 accounting standards for not-for-profit organizations, but must  
809 reformat this information for reporting according to this  
810 paragraph.

811  
812 Charter schools are to provide annual financial report and  
813 program cost report information in the state-required formats  
814 for inclusion in district reporting in compliance with s.  
815 1011.60(1). Charter schools that are operated by a municipality  
816 or are a component unit of a parent nonprofit organization may  
817 use the accounting system of the municipality or the parent but  
818 must reformat this information for reporting according to this  
819 paragraph.

820           (k)~~(j)~~ The governing board of the charter school shall  
821 annually adopt and maintain an operating budget.

822           (l)~~(k)~~ The governing body of the charter school shall  
823 exercise continuing oversight over charter school operations.

824           (m)~~(l)~~ The governing body of the charter school shall  
825 report its progress annually to its sponsor, which shall forward  
826 the report to the Commissioner of Education at the same time as  
827 other annual school accountability reports. The Department of  
828 Education shall include in its compilation a notation if a  
829 school failed to file its report by the deadline established by

830 the department. The report shall include at least the following  
831 components:

832 1. Student achievement performance data, including the  
833 information required for the annual school report and the  
834 education accountability system governed by ss. 1008.31 and  
835 1008.345. Charter schools are subject to the same accountability  
836 requirements as other public schools, including reports of  
837 student achievement information that links baseline student data  
838 to the school's performance projections identified in the  
839 charter. The charter school shall identify reasons for any  
840 difference between projected and actual student performance.

841 2. Financial status of the charter school which must  
842 include revenues and expenditures at a level of detail that  
843 allows for analysis of the ability to meet financial obligations  
844 and timely repayment of debt.

845 3. Documentation of the facilities in current use and any  
846 planned facilities for use by the charter school for instruction  
847 of students, administrative functions, or investment purposes.

848 4. Descriptive information about the charter school's  
849 personnel, including salary and benefit levels of charter school  
850 employees, the proportion of instructional personnel who hold  
851 professional or temporary certificates, and the proportion of  
852 instructional personnel teaching in-field or out-of-field.

853 (n)~~(m)~~ A charter school shall not levy taxes or issue  
854 bonds secured by tax revenues.

855 (o)~~(n)~~ A charter school shall provide instruction for at  
856 least the number of days required by law for other public  
857 schools, and may provide instruction for additional days.

858 (10) ELIGIBLE STUDENTS.--

859 (a) A charter school shall be open to any student covered  
860 in an interdistrict agreement or residing in the school district  
861 in which the charter school is located; however, in the case of  
862 a charter lab school, the charter lab school shall be open to  
863 any student eligible to attend the lab school as provided in s.  
864 1002.32 or who resides in the school district in which the  
865 charter lab school is located. Any eligible student shall be  
866 allowed interdistrict transfer to attend a charter school when  
867 based on good cause.

868 (b) The charter school shall enroll an eligible student  
869 who submits a timely application, unless the number of  
870 applications exceeds the capacity of a program, class, grade  
871 level, or building. In such case, all applicants shall have an  
872 equal chance of being admitted through a random selection  
873 process.

874 (c) When a public school converts to charter status,  
875 enrollment preference shall be given to students who would have  
876 otherwise attended that public school.

877 (d) A charter school may give enrollment preference to the  
878 following student populations:

879 1. Students who are siblings of a student enrolled in the  
880 charter school.

881 2. Students who are the children of a member of the  
882 governing board of the charter school.

883 3. Students who are the children of an employee of the  
884 charter school.

885 (e) A charter school may limit the enrollment process only  
886 to target the following student populations:

887 1. Students within specific age groups or grade levels.

888 2. Students considered at risk of dropping out of school  
889 or academic failure. Such students shall include exceptional  
890 education students.

891 3. Students enrolling in a charter school-in-the-workplace  
892 or charter school-in-a-municipality established pursuant to  
893 subsection (15).

894 4. Students residing within a reasonable distance of the  
895 charter school, as described in paragraph (20)(c). Such students  
896 shall be subject to a random lottery and to the racial/ethnic  
897 balance provisions described in subparagraph (7)(a)8. or any  
898 federal provisions that require a school to achieve a  
899 racial/ethnic balance reflective of the community it serves or  
900 within the racial/ethnic range of other public schools in the  
901 same school district.

902 5. Students who meet reasonable academic, artistic, or  
903 other eligibility standards established by the charter school  
904 and included in the charter school application and charter or,  
905 in the case of existing charter schools, standards that are  
906 consistent with the school's mission and purpose. Such standards  
907 shall be in accordance with current state law and practice in  
908 public schools and may not discriminate against otherwise  
909 qualified individuals.

910 6. Students articulating from one charter school to  
911 another pursuant to an articulation agreement between the  
912 charter schools that has been approved by the sponsor.

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913 (f) Students with handicapping conditions and students  
 914 served in English for Speakers of Other Languages programs shall  
 915 have an equal opportunity of being selected for enrollment in a  
 916 charter school.

917 (g) A student may withdraw from a charter school at any  
 918 time and enroll in another public school as determined by  
 919 district school board rule.

920 (h) The capacity of the charter school shall be determined  
 921 annually by the governing board, in conjunction with the  
 922 sponsor, of the charter school in consideration of the factors  
 923 identified in this subsection.

924 (11) PARTICIPATION IN INTERSCHOLASTIC EXTRACURRICULAR  
 925 ACTIVITIES.--A charter school student is eligible to participate  
 926 in an interscholastic extracurricular activity at the public  
 927 school to which the student would be otherwise assigned to  
 928 attend pursuant to s. 1006.15(3)(d).

929 (12) EMPLOYEES OF CHARTER SCHOOLS.--

930 (a) A charter school shall select its own employees. A  
 931 charter school may contract with its sponsor for the services of  
 932 personnel employed by the sponsor.

933 (b) Charter school employees shall have the option to  
 934 bargain collectively. Employees may collectively bargain as a  
 935 separate unit or as part of the existing district collective  
 936 bargaining unit as determined by the structure of the charter  
 937 school.

938 (c) The employees of a conversion charter school shall  
 939 remain public employees for all purposes, unless such employees  
 940 choose not to do so.

941 (d) The teachers at a charter school may choose to be part  
 942 of a professional group that subcontracts with the charter  
 943 school to operate the instructional program under the auspices  
 944 of a partnership or cooperative that they collectively own.  
 945 Under this arrangement, the teachers would not be public  
 946 employees.

947 (e) Employees of a school district may take leave to  
 948 accept employment in a charter school upon the approval of the  
 949 district school board. While employed by the charter school and  
 950 on leave that is approved by the district school board, the  
 951 employee may retain seniority accrued in that school district  
 952 and may continue to be covered by the benefit programs of that  
 953 school district, if the charter school and the district school  
 954 board agree to this arrangement and its financing. School  
 955 districts shall not require resignations of teachers desiring to  
 956 teach in a charter school. This paragraph shall not prohibit a  
 957 district school board from approving alternative leave  
 958 arrangements consistent with chapter 1012.

959 (f) Teachers employed by or under contract to a charter  
 960 school shall be certified as required by chapter 1012. A charter  
 961 school governing board may employ or contract with skilled  
 962 selected noncertified personnel to provide instructional  
 963 services or to assist instructional staff members as education  
 964 paraprofessionals in the same manner as defined in chapter 1012,  
 965 and as provided by State Board of Education rule for charter  
 966 school governing boards. A charter school may not knowingly  
 967 employ an individual to provide instructional services or to  
 968 serve as an education paraprofessional if the individual's

969 certification or licensure as an educator is suspended or  
 970 revoked by this or any other state. A charter school may not  
 971 knowingly employ an individual who has resigned from a school  
 972 district in lieu of disciplinary action with respect to child  
 973 welfare or safety, or who has been dismissed for just cause by  
 974 any school district with respect to child welfare or safety. The  
 975 qualifications of teachers shall be disclosed to parents.

976 (g) A charter school shall employ or contract with  
 977 employees who have undergone background screening as provided in  
 978 s. 1012.32. Members of the governing board of the charter school  
 979 shall also undergo background screening in a manner similar to  
 980 that provided in s. 1012.32.

981 (h) For the purposes of tort liability, the governing body  
 982 and employees of a charter school shall be governed by s.  
 983 768.28.

984 (i) A charter school shall organize as, or be operated by,  
 985 a nonprofit organization. A charter school may be operated by a  
 986 municipality or other public entity as provided for by law. As  
 987 such, the charter school may be either a private or a public  
 988 employer. As a public employer, a charter school may participate  
 989 in the Florida Retirement System upon application and approval  
 990 as a "covered group" under s. 121.021(34). If a charter school  
 991 participates in the Florida Retirement System, the charter  
 992 school employees shall be compulsory members of the Florida  
 993 Retirement System. As either a private or a public employer, a  
 994 charter school may contract for services with an individual or  
 995 group of individuals who are organized as a partnership or a

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996 cooperative. Individuals or groups of individuals who contract  
997 their services to the charter school are not public employees.

998 (13) CHARTER SCHOOL COOPERATIVES.--Charter schools may  
999 enter into cooperative agreements to form charter school  
1000 cooperative organizations that may provide the following  
1001 services: charter school planning and development, direct  
1002 instructional services, and contracts with charter school  
1003 governing boards to provide personnel administrative services,  
1004 payroll services, human resource management, evaluation and  
1005 assessment services, teacher preparation, and professional  
1006 development.

1007 (14) CHARTER SCHOOL FINANCIAL ARRANGEMENTS;  
1008 INDEMNIFICATION OF THE STATE AND SCHOOL DISTRICT; CREDIT OR  
1009 TAXING POWER NOT TO BE PLEDGED.--Any arrangement entered into to  
1010 borrow or otherwise secure funds for a charter school authorized  
1011 in this section from a source other than the state or a school  
1012 district shall indemnify the state and the school district from  
1013 any and all liability, including, but not limited to, financial  
1014 responsibility for the payment of the principal or interest. Any  
1015 loans, bonds, or other financial agreements are not obligations  
1016 of the state or the school district but are obligations of the  
1017 charter school authority and are payable solely from the sources  
1018 of funds pledged by such agreement. The credit or taxing power  
1019 of the state or the school district shall not be pledged and no  
1020 debts shall be payable out of any moneys except those of the  
1021 legal entity in possession of a valid charter approved by a  
1022 district school board pursuant to this section.

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1023 (15) CHARTER SCHOOLS-IN-THE-WORKPLACE; CHARTER SCHOOLS-IN-  
1024 A-MUNICIPALITY.--

1025 (a) In order to increase business partnerships in  
1026 education, to reduce school and classroom overcrowding  
1027 throughout the state, and to offset the high costs for  
1028 educational facilities construction, the Legislature intends to  
1029 encourage the formation of business partnership schools or  
1030 satellite learning centers and municipal-operated schools  
1031 through charter school status.

1032 (b) A charter school-in-the-workplace may be established  
1033 when a business partner provides the school facility to be used;  
1034 enrolls students based upon a random lottery that involves all  
1035 of the children of employees of that business or corporation who  
1036 are seeking enrollment, as provided for in subsection (10); and  
1037 enrolls students according to the racial/ethnic balance  
1038 provisions described in subparagraph (7)(a)8. Any portion of a  
1039 facility used for a public charter school shall be exempt from  
1040 ad valorem taxes, as provided for in s. 1013.54, for the  
1041 duration of its use as a public school.

1042 (c) A charter school-in-a-municipality designation may be  
1043 granted to a municipality that possesses a charter; enrolls  
1044 students based upon a random lottery that involves all of the  
1045 children of the residents of that municipality who are seeking  
1046 enrollment, as provided for in subsection (10); and enrolls  
1047 students according to the racial/ethnic balance provisions  
1048 described in subparagraph (7)(a)8. When a municipality has  
1049 submitted charter applications for the establishment of a  
1050 charter school feeder pattern, consisting of elementary, middle,

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1051 and senior high schools, and each individual charter application  
 1052 is approved by the district school board, such schools shall  
 1053 then be designated as one charter school for all purposes listed  
 1054 pursuant to this section. Any portion of the land and facility  
 1055 used for a public charter school shall be exempt from ad valorem  
 1056 taxes, as provided for in s. 1013.54, for the duration of its  
 1057 use as a public school.

1058 (d) As used in this subsection, the terms "business  
 1059 partner" or "municipality" may include more than one business or  
 1060 municipality to form a charter school-in-the-workplace or  
 1061 charter school-in-a-municipality.

1062 (16) EXEMPTION FROM STATUTES.--

1063 (a) A charter school shall operate in accordance with its  
 1064 charter and shall be exempt from all statutes in chapters 1000-  
 1065 1013. However, a charter school shall be in compliance with the  
 1066 following statutes in chapters 1000-1013:

1067 1. Those statutes specifically applying to charter  
 1068 schools, including this section.

1069 2. Those statutes pertaining to the student assessment  
 1070 program and school grading system.

1071 3. Those statutes pertaining to the provision of services  
 1072 to students with disabilities.

1073 4. Those statutes pertaining to civil rights, including s.  
 1074 1000.05, relating to discrimination.

1075 5. Those statutes pertaining to student health, safety,  
 1076 and welfare.

1077 (b) Additionally, a charter school shall be in compliance  
 1078 with the following statutes:

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1079 | 1. Section 286.011, relating to public meetings and  
1080 | records, public inspection, and criminal and civil penalties.

1081 | 2. Chapter 119, relating to public records.

1082 | (17) FUNDING.--Students enrolled in a charter school,  
1083 | regardless of the sponsorship, shall be funded as if they are in  
1084 | a basic program or a special program, the same as students  
1085 | enrolled in other public schools in the school district. Funding  
1086 | for a charter lab school shall be as provided in s. 1002.32.

1087 | (a) Each charter school shall report its student  
1088 | enrollment to the district school board as required in s.  
1089 | 1011.62, and in accordance with the definitions in s. 1011.61.  
1090 | The district school board shall include each charter school's  
1091 | enrollment in the district's report of student enrollment. All  
1092 | charter schools submitting student record information required  
1093 | by the Department of Education shall comply with the Department  
1094 | of Education's guidelines for electronic data formats for such  
1095 | data, and all districts shall accept electronic data that  
1096 | complies with the Department of Education's electronic format.

1097 | (b) The basis for the agreement for funding students  
1098 | enrolled in a charter school shall be the sum of the school  
1099 | district's operating funds from the Florida Education Finance  
1100 | Program as provided in s. 1011.62 and the General Appropriations  
1101 | Act, including gross state and local funds, discretionary  
1102 | lottery funds, and funds from the school district's current  
1103 | operating discretionary millage levy; divided by total funded  
1104 | weighted full-time equivalent students in the school district;  
1105 | multiplied by the weighted full-time equivalent students for the  
1106 | charter school. Charter schools whose students or programs meet

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1107 | the eligibility criteria in law shall be entitled to their  
 1108 | proportionate share of categorical program funds included in the  
 1109 | total funds available in the Florida Education Finance Program  
 1110 | by the Legislature, including transportation. Total funding for  
 1111 | each charter school shall be recalculated during the year to  
 1112 | reflect the revised calculations under the Florida Education  
 1113 | Finance Program by the state and the actual weighted full-time  
 1114 | equivalent students reported by the charter school during the  
 1115 | full-time equivalent student survey periods designated by the  
 1116 | Commissioner of Education.

1117 | (c) If the district school board is providing programs or  
 1118 | services to students funded by federal funds, any eligible  
 1119 | students enrolled in charter schools in the school district  
 1120 | shall be provided federal funds for the same level of service  
 1121 | provided students in the schools operated by the district school  
 1122 | board. Pursuant to provisions of 20 U.S.C. 8061 s. 10306, all  
 1123 | charter schools shall receive all federal funding for which the  
 1124 | school is otherwise eligible, including Title I funding, not  
 1125 | later than 5 months after the charter school first opens and  
 1126 | within 5 months after any subsequent expansion of enrollment.

1127 | (d) District school boards shall make ~~every effort to~~  
 1128 | ~~ensure that charter schools receive~~ timely and efficient payment  
 1129 | and reimbursement to charter schools, including processing  
 1130 | paperwork required to access special state and federal funding  
 1131 | for which they may be eligible. The district school board may  
 1132 | distribute funds to a charter school for up to 3 months based on  
 1133 | the projected full-time equivalent student membership of the  
 1134 | charter school. Thereafter, the results of full-time equivalent

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1135 student membership surveys shall be used in adjusting the amount  
 1136 of funds distributed monthly to the charter school for the  
 1137 remainder of the fiscal year. The payment shall be issued no  
 1138 later than 10 working days after the district school board  
 1139 receives a distribution of state or federal funds. If a warrant  
 1140 for payment is not issued within 10 ~~30~~ working days after  
 1141 receipt of funding by the district school board, the school  
 1142 district shall pay to the charter school, in addition to the  
 1143 amount of the scheduled disbursement, interest at a rate of 5 ~~1~~  
 1144 percent per month calculated on a daily basis on the unpaid  
 1145 balance from the expiration of the 10 working days ~~30-day period~~  
 1146 until such time as the warrant is issued. The Commissioner of  
 1147 Education is authorized to withhold funds from school districts  
 1148 that fail to make timely payments and reimbursements.

1149 (e) The State Board of Education shall have authority to  
 1150 impose a fine on or withhold lottery funds from a school  
 1151 district for any violation of the procedural requirements for  
 1152 charter school application, termination, or nonrenewal appeals  
 1153 regardless of whether the violation affects the fairness of the  
 1154 appeal process or the correctness of the action taken by the  
 1155 school district. Prior to the imposition of a fine or  
 1156 withholding of lottery funds under this paragraph, the State  
 1157 Board of Education shall provide the school district with notice  
 1158 of the amount of the proposed fine and an opportunity to be  
 1159 heard at a subsequent meeting of the State Board of Education.  
 1160 The funds collected for fines under this paragraph shall be  
 1161 taken from the school district's administrative fee under  
 1162 paragraph (20)(a) and disbursed to the prevailing charter school

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1163 | appellant under this section or, if the charter school  
 1164 | appellant's appeal is denied, in equal amounts to each of the  
 1165 | charter schools within the school district. The imposition of a  
 1166 | fine under this paragraph shall not exceed \$10,000 and is a  
 1167 | final action subject to judicial review in the district court of  
 1168 | appeals.

1169 | (18) FACILITIES.--

1170 | (a) A startup charter school shall utilize facilities  
 1171 | which comply with the Florida Building Code pursuant to chapter  
 1172 | 553 except for the State Requirements for Educational  
 1173 | Facilities. Conversion charter schools shall utilize facilities  
 1174 | which comply with the State Requirements for Educational  
 1175 | Facilities provided that the school district and the charter  
 1176 | school have entered into a mutual management plan with  
 1177 | sufficient funding from the school district to comply with the  
 1178 | State Requirements for Educational Facilities. Charter schools,  
 1179 | with the exception of conversion charter schools, are not  
 1180 | required to comply, but may choose to comply, with the State  
 1181 | Requirements for Educational Facilities of the Florida Building  
 1182 | Code adopted pursuant to s. 1013.37. The local governing  
 1183 | authority shall not adopt or impose local building requirements  
 1184 | or restrictions that are more stringent than those found in the  
 1185 | Florida Building Code. The agency having jurisdiction for  
 1186 | inspection of a facility and issuance of a certificate of  
 1187 | occupancy shall be the local municipality or, if in an  
 1188 | unincorporated area, the county governing authority.

1189 | (b) A charter school shall utilize facilities that comply  
 1190 | with the Florida Fire Prevention Code, pursuant to s. 633.025,

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1191 as adopted by the authority in whose jurisdiction the facility  
1192 is located as provided in paragraph (a).

1193 (c) Any facility, or portion thereof, used to house a  
1194 charter school whose charter has been approved by the sponsor  
1195 and the governing board, pursuant to subsection (7), shall be  
1196 exempt from ad valorem taxes pursuant to s. 196.1983. Library,  
1197 community service, museum, performing arts, theatre, cinema,  
1198 church, community college, college, and university facilities  
1199 may provide space to charter schools within their facilities  
1200 under their preexisting zoning and land use designations.

1201 (d) Charter school facilities are exempt from assessments  
1202 of fees for building permits, except as provided in s. 553.80,  
1203 fees and for building and occupational licenses, and ~~from~~  
1204 ~~assessments of~~ impact fees or service availability fees.

1205 (e) If a district school board facility or property is  
1206 available because it is surplus, marked for disposal, or  
1207 otherwise unused, it shall be provided for a charter school's  
1208 use on the same basis as it is made available to other public  
1209 schools in the district. A charter school receiving property  
1210 from the school district may not sell or dispose of such  
1211 property without written permission of the school district.  
1212 Similarly, for an existing public school converting to charter  
1213 status, no rental or leasing fee for the existing facility or  
1214 for the property normally inventoried to the conversion school  
1215 may be charged by the district school board to the parents and  
1216 teachers organizing the charter school. The charter school  
1217 ~~organizers~~ shall agree to reasonable maintenance provisions in  
1218 order to maintain the facility in a manner similar to district

1219 school board standards. The Public Education Capital Outlay  
 1220 maintenance funds or any other maintenance funds generated by  
 1221 the facility operated as a conversion school shall remain with  
 1222 the conversion school.

1223 (f) To the extent that charter school facilities are  
 1224 specifically created to mitigate the educational impact created  
 1225 by the development of new residential dwelling units, pursuant  
 1226 to subparagraph (2)(c)4., some of or all of the educational  
 1227 impact fees required to be paid in connection with the new  
 1228 residential dwelling units may be designated instead for the  
 1229 construction of the charter school facilities that will mitigate  
 1230 the student station impact. Such facilities shall be built to  
 1231 the State Requirements for Educational Facilities and shall be  
 1232 owned by a public or nonprofit entity. The local school district  
 1233 retains the right to monitor and inspect such facilities to  
 1234 ensure compliance with the State Requirements for Educational  
 1235 Facilities. If a facility ceases to be used for public  
 1236 educational purposes, either the facility shall revert to the  
 1237 school district subject to any debt owed on the facility, or the  
 1238 owner of the facility shall have the option to refund all  
 1239 educational impact fees utilized for the facility to the school  
 1240 district. The district and the owner of the facility may  
 1241 contractually agree to another arrangement for the facilities if  
 1242 the facilities cease to be used for educational purposes. The  
 1243 owner of property planned or approved for new residential  
 1244 dwelling units and the entity levying educational impact fees  
 1245 shall enter into an agreement that designates the educational  
 1246 impact fees that will be allocated for the charter school

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1247 student stations and that ensures the timely construction of the  
 1248 charter school student stations concurrent with the expected  
 1249 occupancy of the residential units. The application for use of  
 1250 educational impact fees shall include an approved charter school  
 1251 application. To assist the school district in forecasting  
 1252 student station needs, the entity levying the impact fees shall  
 1253 notify the affected district of any agreements it has approved  
 1254 for the purpose of mitigating student station impact from the  
 1255 new residential dwelling units.

1256 (19) CAPITAL OUTLAY FUNDING.--Charter schools are eligible  
 1257 for capital outlay funds pursuant to s. 1013.62.

1258 (20) SERVICES.--

1259 (a) A sponsor shall provide certain administrative and  
 1260 educational services to charter schools. These services shall  
 1261 include contract management services; full-time equivalent and  
 1262 data reporting services; exceptional student education  
 1263 administration and evaluation services; test administration  
 1264 services, including payment of the costs of state-required or  
 1265 district-required student assessments; processing of teacher  
 1266 certificate data services; and information services, including  
 1267 equal access to student information systems that are used by  
 1268 public schools in the district in which the charter school is  
 1269 located. A total administrative fee for the provision of such  
 1270 services shall be calculated based upon up to 5 percent of the  
 1271 available funds defined in paragraph (17)(b) for all students.  
 1272 However, a sponsor may only withhold up to a 5-percent  
 1273 administrative fee for enrollment for up to and including 500  
 1274 students. For charter schools with a population of 501 or more

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1275 students, the difference between the total administrative fee  
 1276 calculation and the amount of the administrative fee withheld  
 1277 may only be used for capital outlay purposes specified in s.  
 1278 1013.62~~(4)~~~~(2)~~. Sponsors shall not charge charter schools any  
 1279 additional fees or surcharges for administrative and educational  
 1280 services in addition to the maximum 5-percent administrative fee  
 1281 withheld pursuant to this paragraph.

1282 (b) If goods and services are made available to the  
 1283 charter school through the contract with the school district,  
 1284 they shall be provided to the charter school at a rate no  
 1285 greater than the district's actual cost unless mutually agreed  
 1286 upon by the charter school and the sponsor in a contract  
 1287 negotiated separately from the charter. When mediation has  
 1288 failed to resolve disputes over contracted services or  
 1289 contractual matters not included in the charter, an appeal may  
 1290 be made for a dispute resolution hearing before the Charter  
 1291 School Appeal Commission. To maximize the use of state funds,  
 1292 school districts shall allow charter schools to participate in  
 1293 the sponsor's bulk purchasing program if applicable.

1294 (c) Transportation of charter school students shall be  
 1295 provided by the charter school consistent with the requirements  
 1296 of subpart I.E. of chapter 1006 and s. 1012.45. The governing  
 1297 body of the charter school may provide transportation through an  
 1298 agreement or contract with the district school board, a private  
 1299 provider, or parents. The charter school and the sponsor shall  
 1300 cooperate in making arrangements that ensure that transportation  
 1301 is not a barrier to equal access for all students residing

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1302 within a reasonable distance of the charter school as determined  
1303 in its charter.

1304 (21) PUBLIC INFORMATION ON CHARTER SCHOOLS.--The  
1305 Department of Education shall provide information to the public,  
1306 directly and through sponsors, both on how to form and operate a  
1307 charter school and on how to enroll in charter schools once they  
1308 are created. This information shall include a standard  
1309 application format, charter format, and charter renewal format  
1310 which shall include the information specified in subsection (7).  
1311 These formats shall ~~This application format may~~ be used as  
1312 guidelines by charter school sponsors ~~chartering entities~~.

1313 (22) CHARTER SCHOOL REVIEW PANEL AND LEGISLATIVE REVIEW.--

1314 (a) The Department of Education shall staff and regularly  
1315 convene a Charter School Review Panel in order to review issues,  
1316 practices, and policies regarding charter schools. The  
1317 composition of the review panel shall include individuals with  
1318 experience in finance, administration, law, education, and  
1319 school governance, and individuals familiar with charter school  
1320 construction and operation. The panel shall include two  
1321 appointees each from the Commissioner of Education, the  
1322 President of the Senate, and the Speaker of the House of  
1323 Representatives. The Governor shall appoint three members of the  
1324 panel and shall designate the chair. Each member of the panel  
1325 shall serve a 1-year term, unless renewed by the office making  
1326 the appointment. The panel shall make recommendations to the  
1327 Legislature, to the Department of Education, to charter schools,  
1328 and to school districts for improving charter school operations

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1329 and oversight and for ensuring best business practices at and  
1330 fair business relationships with charter schools.

1331 ~~(b) The Legislature shall review the operation of charter~~  
1332 ~~schools during the 2005 Regular Session of the Legislature.~~

1333 (23) ANALYSIS OF CHARTER SCHOOL PERFORMANCE.--Upon receipt  
1334 of the annual report required by paragraph (9)(m)~~(l)~~, the  
1335 Department of Education shall provide to the State Board of  
1336 Education, the Commissioner of Education, the Governor, the  
1337 President of the Senate, and the Speaker of the House of  
1338 Representatives an analysis and comparison of the overall  
1339 performance of charter school students, to include all students  
1340 whose scores are counted as part of the statewide assessment  
1341 program, versus comparable public school students in the  
1342 district as determined by the statewide assessment program  
1343 currently administered in the school district, and other  
1344 assessments administered pursuant to s. 1008.22(3).

1345 (24) RULEMAKING.--The Department of Education, after  
1346 consultation with school districts and charter school directors,  
1347 shall recommend that the State Board of Education adopt rules to  
1348 implement specific subsections of this section. Such rules shall  
1349 require minimum paperwork and shall not limit charter school  
1350 flexibility authorized by statute.

1351 Section 2. Subsection (5) of section 218.39, Florida  
1352 Statutes, is amended to read:

1353 218.39 Annual financial audit reports.--

1354 (5) At the conclusion of the audit, the auditor shall  
1355 discuss with the chair of each local governmental entity or the  
1356 chair's designee, or with the elected official of each county

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1357 | agency or with the elected official's designee, or with the  
 1358 | chair of the district school board or the chair's designee, or  
 1359 | with the chair of the board of the charter school or the chair's  
 1360 | designee, or with the chair of the charter technical career  
 1361 | center or the chair's designee, as appropriate, all of the  
 1362 | auditor's comments that will be included in the audit report. If  
 1363 | the officer is not available to discuss the auditor's comments,  
 1364 | their discussion is presumed when the comments are delivered in  
 1365 | writing to his or her office. The auditor shall notify each  
 1366 | member of the governing body of a local governmental entity, ~~or~~  
 1367 | district school board, or charter school for which deteriorating  
 1368 | financial conditions exist that may cause a condition described  
 1369 | in s. 218.503(1) to occur if actions are not taken to address  
 1370 | such conditions.

1371 |       Section 3. Section 218.50, Florida Statutes, is amended to  
 1372 | read:

1373 |       218.50 Short title.--Sections 218.50-218.504 may be cited  
 1374 | as the "Local Governmental Entity, Charter School, and District  
 1375 | School Board Financial Emergencies Act."

1376 |       Section 4. Section 218.501, Florida Statutes, is amended  
 1377 | to read:

1378 |       218.501 Purposes.--The purposes of ss. 218.50-218.504 are:

1379 |       (1) To promote the fiscal responsibility of local  
 1380 | governmental entities, charter schools, and district school  
 1381 | boards.

1382 |       (2) To assist local governmental entities, charter  
 1383 | schools, and district school boards in providing essential

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1384 services without interruption and in meeting their financial  
1385 obligations.

1386 (3) To assist local governmental entities, charter  
1387 schools, and district school boards through the improvement of  
1388 local financial management procedures.

1389 Section 5. Section 218.503, Florida Statutes, is amended  
1390 to read:

1391 218.503 Determination of financial emergency.--

1392 (1) Local governmental entities, charter schools, and  
1393 district school boards shall be subject to review and oversight  
1394 by the Governor, charter school sponsor, or the Commissioner of  
1395 Education, as appropriate, when any one of the following  
1396 conditions occurs:

1397 (a) Failure within the same fiscal year in which due to  
1398 pay short-term loans or failure to make bond debt service or  
1399 other long-term debt payments when due, as a result of a lack of  
1400 funds.

1401 (b) Failure to pay uncontested claims from creditors  
1402 within 90 days after the claim is presented, as a result of a  
1403 lack of funds.

1404 (c) Failure to transfer at the appropriate time, due to  
1405 lack of funds:

1406 1. Taxes withheld on the income of employees; or

1407 2. Employer and employee contributions for:

1408 a. Federal social security; or

1409 b. Any pension, retirement, or benefit plan of an  
1410 employee.

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1411 (d) Failure for one pay period to pay, due to lack of  
1412 funds:

- 1413 1. Wages and salaries owed to employees; or
- 1414 2. Retirement benefits owed to former employees.

1415 (e) An unreserved or total fund balance or retained  
1416 earnings deficit, or unrestricted or total net assets deficit,  
1417 as reported on the balance sheet or statement of net assets on  
1418 the general purpose or fund financial statements, for which  
1419 sufficient resources of the local governmental entity, as  
1420 reported on the balance sheet or statement of net assets on the  
1421 general purpose or fund financial statements, are not available  
1422 to cover the deficit. Resources available to cover reported  
1423 deficits include net assets that are not otherwise restricted by  
1424 federal, state, or local laws, bond covenants, contractual  
1425 agreements, or other legal constraints. Fixed or capital assets,  
1426 the disposal of which would impair the ability of a local  
1427 governmental entity to carry out its functions, are not  
1428 considered resources available to cover reported deficits.

1429 (2) A local governmental entity shall notify the Governor  
1430 and the Legislative Auditing Committee, a charter school shall  
1431 notify the charter school sponsor and the Legislative Auditing  
1432 Committee, and a district school board shall notify the  
1433 Commissioner of Education and the Legislative Auditing  
1434 Committee, when one or more of the conditions specified in  
1435 subsection (1) have occurred or will occur if action is not  
1436 taken to assist the local governmental entity, charter school,  
1437 or district school board. In addition, any state agency must,  
1438 within 30 days after a determination that one or more of the

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1439 | conditions specified in subsection (1) have occurred or will  
 1440 | occur if action is not taken to assist the local governmental  
 1441 | entity, charter school, or district school board, notify the  
 1442 | Governor, charter school sponsor, or the Commissioner of  
 1443 | Education, as appropriate, and the Legislative Auditing  
 1444 | Committee.

1445 |         (3) Upon notification that one or more of the conditions  
 1446 | in subsection (1) exist, the Governor or his or her designee  
 1447 | shall contact the local governmental entity or the Commissioner  
 1448 | of Education or his or her designee shall contact the district  
 1449 | school board to determine what actions have been taken by the  
 1450 | local governmental entity or the district school board to  
 1451 | resolve the condition. The Governor or the Commissioner of  
 1452 | Education, as appropriate, shall determine whether the local  
 1453 | governmental entity or the district school board needs state  
 1454 | assistance to resolve the condition. If state assistance is  
 1455 | needed, the local governmental entity or district school board  
 1456 | is considered to be in a state of financial emergency. The  
 1457 | Governor or the Commissioner of Education, as appropriate, has  
 1458 | the authority to implement measures as set forth in ss. 218.50-  
 1459 | 218.504 to assist the local governmental entity or district  
 1460 | school board in resolving the financial emergency. Such measures  
 1461 | may include, but are not limited to:

1462 |         (a) Requiring approval of the local governmental entity's  
 1463 | budget by the Governor or approval of the district school  
 1464 | board's budget by the Commissioner of Education.

1465 |         (b) Authorizing a state loan to a local governmental  
 1466 | entity and providing for repayment of same.

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1467 (c) Prohibiting a local governmental entity or district  
 1468 school board from issuing bonds, notes, certificates of  
 1469 indebtedness, or any other form of debt until such time as it is  
 1470 no longer subject to this section.

1471 (d) Making such inspections and reviews of records,  
 1472 information, reports, and assets of the local governmental  
 1473 entity or district school board. The appropriate local officials  
 1474 shall cooperate in such inspections and reviews.

1475 (e) Consulting with officials and auditors of the local  
 1476 governmental entity or the district school board and the  
 1477 appropriate state officials regarding any steps necessary to  
 1478 bring the books of account, accounting systems, financial  
 1479 procedures, and reports into compliance with state requirements.

1480 (f) Providing technical assistance to the local  
 1481 governmental entity or the district school board.

1482 (g)1. Establishing a financial emergency board to oversee  
 1483 the activities of the local governmental entity or the district  
 1484 school board. If a financial emergency board is established for  
 1485 a local governmental entity, the Governor shall appoint board  
 1486 members and select a chair. If a financial emergency board is  
 1487 established for a district school board, the State Board of  
 1488 Education shall appoint board members and select a chair. The  
 1489 financial emergency board shall adopt such rules as are  
 1490 necessary for conducting board business. The board may:

1491 a. Make such reviews of records, reports, and assets of  
 1492 the local governmental entity or the district school board as  
 1493 are needed.

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1494           b. Consult with officials and auditors of the local  
1495 governmental entity or the district school board and the  
1496 appropriate state officials regarding any steps necessary to  
1497 bring the books of account, accounting systems, financial  
1498 procedures, and reports of the local governmental entity or the  
1499 district school board into compliance with state requirements.

1500           c. Review the operations, management, efficiency,  
1501 productivity, and financing of functions and operations of the  
1502 local governmental entity or the district school board.

1503           2. The recommendations and reports made by the financial  
1504 emergency board must be submitted to the Governor for local  
1505 governmental entities or to the Commissioner of Education and  
1506 the State Board of Education for district school boards for  
1507 appropriate action.

1508           (h) Requiring and approving a plan, to be prepared by  
1509 officials of the local governmental entity or the district  
1510 school board in consultation with the appropriate state  
1511 officials, prescribing actions that will cause the local  
1512 governmental entity or district school board to no longer be  
1513 subject to this section. The plan must include, but need not be  
1514 limited to:

1515           1. Provision for payment in full of obligations outlined  
1516 in subsection (1), designated as priority items, that are  
1517 currently due or will come due.

1518           2. Establishment of priority budgeting or zero-based  
1519 budgeting in order to eliminate items that are not affordable.

1520           3. The prohibition of a level of operations which can be  
1521 sustained only with nonrecurring revenues.

1522        (4) Upon notification that one or more of the conditions  
 1523 in subsection (1) exist, the charter school sponsor or the  
 1524 sponsor's designee shall contact the charter school governing  
 1525 board to determine what actions have been taken by the charter  
 1526 school governing board to resolve the condition. The charter  
 1527 school sponsor has the authority to require and approve a  
 1528 financial recovery plan, to be prepared by the charter school  
 1529 governing board, prescribing actions that will cause the charter  
 1530 school to no longer be subject to this section. The Department  
 1531 of Education must establish guidelines for developing such  
 1532 plans.

1533        ~~(5)~~(4) A local governmental entity or district school  
 1534 board may not seek application of laws under the bankruptcy  
 1535 provisions of the United States Constitution except with the  
 1536 prior approval of the Governor for local governmental entities  
 1537 or the Commissioner of Education for district school boards.

1538        ~~(6)~~(5)(a) The governing authority of any municipality  
 1539 having a resident population of 300,000 or more on or after  
 1540 April 1, 1999, which has been declared in a state of financial  
 1541 emergency pursuant to this section may impose a discretionary  
 1542 per-vehicle surcharge of up to 20 percent on the gross revenues  
 1543 of the sale, lease, or rental of space at parking facilities  
 1544 within the municipality which are open for use to the general  
 1545 public.

1546        (b) A municipal governing authority that imposes the  
 1547 surcharge authorized by this subsection may use the proceeds of  
 1548 such surcharge for the following purposes only:

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1549 |           1. No less than 60 percent and no more than 80 percent of  
1550 | the surcharge proceeds shall be used by the governing authority  
1551 | to reduce its ad valorem tax millage rate or to reduce or  
1552 | eliminate non-ad valorem assessments.

1553 |           2. A portion of the balance of the surcharge proceeds  
1554 | shall be used by the governing authority to increase its budget  
1555 | reserves; however, the governing authority shall not reduce the  
1556 | amount it allocates for budget reserves from other sources below  
1557 | the amount allocated for reserves in the fiscal year prior to  
1558 | the year in which the surcharge is initially imposed. When a 15-  
1559 | percent budget reserve is achieved, based on the average gross  
1560 | revenue for the most recent 3 prior fiscal years, the remaining  
1561 | proceeds from this subparagraph shall be used for the payment of  
1562 | annual debt service related to outstanding obligations backed or  
1563 | secured by a covenant to budget and appropriate from non-ad  
1564 | valorem revenues.

1565 |           (c) This subsection expires June 30, 2006.

1566 |           Section 6. Subsection (1) of section 218.504, Florida  
1567 | Statutes, is amended to read:

1568 |           218.504 Cessation of state action.--The Governor or the  
1569 | Commissioner of Education, as appropriate, has the authority to  
1570 | terminate all state actions pursuant to ss. 218.50-218.504.  
1571 | Cessation of state action must not occur until the Governor or  
1572 | the Commissioner of Education, as appropriate, has determined  
1573 | that:

1574 |           (1) The local governmental entity, charter school, or  
1575 | district school board:

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1576 (a) Has established and is operating an effective  
 1577 financial accounting and reporting system.

1578 (b) Has resolved the conditions outlined in s. 218.503(1).  
 1579 Section 7. Paragraph (e) of subsection (7) and subsection  
 1580 (8) of section 11.45, Florida Statutes, are amended to read:

1581 11.45 Definitions; duties; authorities; reports; rules.--  
 1582 (7) AUDITOR GENERAL REPORTING REQUIREMENTS.--

1583 (e) The Auditor General shall notify the Governor or the  
 1584 Commissioner of Education, as appropriate, and the Legislative  
 1585 Auditing Committee of any audit report reviewed by the Auditor  
 1586 General pursuant to paragraph (b) which contains a statement  
 1587 that a local governmental entity, charter school, or district  
 1588 school board has met one or more of the conditions specified in  
 1589 s. 218.503. If the Auditor General requests a clarification  
 1590 regarding information included in an audit report to determine  
 1591 whether a local governmental entity, charter school, or district  
 1592 school board has met one or more of the conditions specified in  
 1593 s. 218.503, the requested clarification must be provided within  
 1594 45 days after the date of the request. If the local governmental  
 1595 entity, charter school, or district school board does not comply  
 1596 with the Auditor General's request, the Auditor General shall  
 1597 notify the Legislative Auditing Committee. If, after obtaining  
 1598 the requested clarification, the Auditor General determines that  
 1599 the local governmental entity, charter school, or district  
 1600 school board has met one or more of the conditions specified in  
 1601 s. 218.503, he or she shall notify the Governor or the  
 1602 Commissioner of Education, as appropriate, and the Legislative  
 1603 Auditing Committee.

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1604 (8) RULES OF THE AUDITOR GENERAL.--The Auditor General, in  
 1605 consultation with the Board of Accountancy, shall adopt rules  
 1606 for the form and conduct of all financial audits performed by  
 1607 independent certified public accountants pursuant to ss.  
 1608 215.981, 218.39, 1001.453, 1004.28, and 1004.70. The rules for  
 1609 audits of local governmental entities, charter schools, and  
 1610 district school boards must include, but are not limited to,  
 1611 requirements for the reporting of information necessary to carry  
 1612 out the purposes of the Local Governmental Entity, Charter  
 1613 School, and District School Board Financial Emergencies Act as  
 1614 stated in s. 218.501.

1615 Section 8. Subsection (1) and paragraph (a) of subsection  
 1616 (2) of section 166.271, Florida Statutes, are amended to read:

1617 166.271 Surcharge on municipal facility parking fees.--

1618 (1) The governing authority of any municipality with a  
 1619 resident population of 200,000 or more, more than 20 percent of  
 1620 the real property of which is exempt from ad valorem taxes, and  
 1621 which is located in a county with a population of more than  
 1622 500,000 may impose and collect, subject to referendum approval  
 1623 by voters in the municipality, a discretionary per vehicle  
 1624 surcharge of up to 15 percent of the amount charged for the  
 1625 sale, lease, or rental of space at parking facilities within the  
 1626 municipality which are open for use to the general public and  
 1627 which are not airports, seaports, county administration  
 1628 buildings, or other projects as defined under ss. 125.011 and  
 1629 125.015, provided that this surcharge shall not take effect  
 1630 while any surcharge imposed pursuant to s. 218.503 (6)~~(5)~~(a), is  
 1631 in effect.

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1632 (2) A municipal governing authority that imposes the  
1633 surcharge authorized by this subsection may use the proceeds of  
1634 such surcharge for the following purposes only:

1635 (a) No less than 60 percent and no more than 80 percent of  
1636 surcharge proceeds shall be used to reduce the municipality's ad  
1637 valorem tax millage or to reduce or eliminate non-ad valorem  
1638 assessments, unless the municipality has previously used the  
1639 proceeds from the surcharge levied under s. 218.503~~(6)~~(5)(b) to  
1640 reduce the municipality's ad valorem tax millage or to reduce  
1641 non-ad valorem assessments.

1642 Section 9. Paragraph (a) of subsection (9) and paragraph  
1643 (b) of subsection (11) of section 1002.32, Florida Statutes, are  
1644 amended to read:

1645 1002.32 Developmental research (laboratory) schools.--

1646 (9) FUNDING.--Funding for a lab school, including a  
1647 charter lab school, shall be provided as follows:

1648 (a) Each lab school shall be allocated its proportional  
1649 share of operating funds from the Florida Education Finance  
1650 Program as provided in s. 1011.62 based on the county in which  
1651 the lab school is located and the General Appropriations Act.  
1652 The nonvoted ad valorem millage that would otherwise be required  
1653 for lab schools shall be allocated from state funds. The  
1654 required local effort funds calculated pursuant to s. 1011.62  
1655 shall be allocated from state funds to the schools as a part of  
1656 the allocation of operating funds pursuant to s. 1011.62. Each  
1657 eligible lab school in operation as of September 1, 2002, shall  
1658 also receive a proportional share of the sparsity supplement as  
1659 calculated pursuant to s. 1011.62. In addition, each lab school

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1660 shall receive its proportional share of all categorical funds,  
 1661 with the exception of s. 1011.68, and new categorical funds  
 1662 enacted after July 1, 1994, for the purpose of elementary or  
 1663 secondary academic program enhancement. However, if a lab  
 1664 school, in the fulfillment of its requirements to have a  
 1665 representative student population pursuant to subsection (4),  
 1666 elects to provide student transportation, the lab school shall  
 1667 be eligible for funding pursuant to s. 1011.68. The sum of funds  
 1668 available as provided in this paragraph shall be included  
 1669 annually in the Florida Education Finance Program and  
 1670 appropriate categorical programs funded in the General  
 1671 Appropriations Act.

1672 (11) EXCEPTIONS TO LAW.--To encourage innovative practices  
 1673 and facilitate the mission of the lab schools, in addition to  
 1674 the exceptions to law specified in s. 1001.23(2), the following  
 1675 exceptions shall be permitted for lab schools:

1676 (b) With the exception of s. 1001.42(16), s. 1001.42 shall  
 1677 be held in abeyance, except that a lab school, in the  
 1678 fulfillment of its requirements to have a representative student  
 1679 population pursuant to subsection (4), may elect to provide  
 1680 transportation in accordance with s. 1001.42(8). Reference to  
 1681 district school boards in s. 1001.42(16) shall mean the  
 1682 president of the university or the president's designee.

1683 Section 10. Subsection (3) of section 1003.05, Florida  
 1684 Statutes, is amended to read:

1685 1003.05 Assistance to transitioning students from military  
 1686 families.--

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1687 (3) Dependent children of active duty military personnel  
 1688 who otherwise meet the eligibility criteria for special academic  
 1689 programs offered through public schools shall be given first  
 1690 preference for admission to such programs even if the program is  
 1691 being offered through a public school other than the school to  
 1692 which the student would generally be assigned and the school at  
 1693 which the program is being offered has reached its maximum  
 1694 enrollment. If such a program is offered through a public school  
 1695 other than the school to which the student would generally be  
 1696 assigned, the parent or guardian of the student must assume  
 1697 responsibility for transporting the student to that school. For  
 1698 purposes of this subsection, special academic programs include  
 1699 ~~charter schools~~, magnet schools, advanced studies programs,  
 1700 advanced placement, dual enrollment, and International  
 1701 Baccalaureate.

1702 Section 11. Effective July 1, 2006, subsection (2) of  
 1703 section 1012.74, Florida Statutes, is amended to read:

1704 1012.74 Florida educators professional liability insurance  
 1705 protection.--

1706 (2)(a) Educator professional liability coverage for all  
 1707 instructional personnel, including charter school instructional  
 1708 personnel, as defined by s. 1012.01(2), who are full-time  
 1709 personnel, as defined by the district school board policy, shall  
 1710 be provided by specific appropriations under the General  
 1711 Appropriations Act.

1712 (b) Educator professional liability coverage shall be  
 1713 extended at cost to all instructional personnel, including  
 1714 charter school instructional personnel, as defined by s.

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1715 1012.01(2), who are part-time personnel, as defined by the  
1716 district school board policy, and choose to participate in the  
1717 state-provided program.

1718 (c) Educator professional liability coverage shall be  
1719 extended at cost to all administrative personnel, including  
1720 administrative personnel in charter schools, as defined by s.  
1721 1012.01(3), who choose to participate in the state-provided  
1722 program.

1723 Section 12. Section 1013.62, Florida Statutes, is amended  
1724 to read:

1725 1013.62 Charter schools capital outlay funding.--

1726 (1) In each year in which funds are appropriated for  
1727 charter school capital outlay purposes, the Commissioner of  
1728 Education shall allocate the funds among eligible charter  
1729 schools. To be eligible for a funding allocation, a charter  
1730 school must be one of the following:

1731 (a) The same school that received capital outlay funding  
1732 in 2002-2003.

1733 (b) A charter school that is an expanded feeder pattern of  
1734 a charter school that received capital outlay funding in 2002-  
1735 2003.

1736 (2) If an appropriation for charter school capital outlay  
1737 funds is less than the 2002-2003 appropriation, the funds shall  
1738 be prorated among schools eligible pursuant to subsection (1).

1739 (3) If an appropriation for charter school capital outlay  
1740 funds is greater than the 2002-2003 appropriation, the funds  
1741 shall be allocated to schools eligible pursuant to subsection

1742 (1) and to charter schools that:

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1743 (a)1. Have been in operation for 3 or more years;  
 1744 2. ~~Are~~ Be an expanded feeder chain of a charter school  
 1745 within the same school district that is currently receiving  
 1746 charter school capital outlay funds; or  
 1747 3. Have been accredited by the Commission on Schools of  
 1748 the Southern Association of Colleges and Schools.  
 1749 (b) Have financial stability for future operation as a  
 1750 charter school.  
 1751 (c) Have received a school grade of "A" or "B," pursuant  
 1752 to s. 1008.34, during 3 of the past 4 school years ~~satisfactory~~  
 1753 ~~student achievement based on state accountability standards~~  
 1754 ~~applicable to the charter school.~~  
 1755 (d) Have received final approval from its sponsor pursuant  
 1756 to s. 1002.33 for operation during that fiscal year.  
 1757 (e) Serve students in facilities that are not provided by  
 1758 the charter school's sponsor.  
 1759  
 1760 First priority for allocating the amount in excess of the 2002-  
 1761 2003 appropriation shall be to prorate the excess funds among  
 1762 charter schools with long-term debt or long-term lease to the  
 1763 extent that the initial allocation is insufficient to provide  
 1764 one-fifteenth of the cost-per-student station specified in s.  
 1765 1013.64(6)(b) and second priority shall be to other eligible  
 1766 charter schools. Prior to the release of capital outlay funds to  
 1767 a school district on behalf of the charter school, the  
 1768 Department of Education shall ensure that the district school  
 1769 board and the charter school governing board enter into a  
 1770 written agreement that includes provisions for the reversion of

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1771 any unencumbered funds and all equipment and property purchased  
 1772 with public education funds to the ownership of the district  
 1773 school board, as provided for in subsection (5)~~(3)~~, in the event  
 1774 that the school terminates operations. Any funds recovered by  
 1775 the state shall be deposited in the General Revenue Fund. A  
 1776 charter school is not eligible for a funding allocation if it  
 1777 was created by the conversion of a public school and operates in  
 1778 facilities provided by the charter school's sponsor for a  
 1779 nominal fee or at no charge or if it is directly or indirectly  
 1780 operated by the school district. Unless otherwise provided in  
 1781 the General Appropriations Act, the funding allocation for each  
 1782 eligible charter school shall be determined by multiplying the  
 1783 school's projected student enrollment by one-fifteenth of the  
 1784 cost-per-student station specified in s. 1013.64(6)(b) for an  
 1785 elementary, middle, or high school, as appropriate. If the funds  
 1786 appropriated are not sufficient, the commissioner shall prorate  
 1787 the available funds among eligible charter schools. However, no  
 1788 charter school or charter lab school shall receive state charter  
 1789 school capital outlay funds in excess of the one-fifteenth cost  
 1790 per student station formula if the charter school's combination  
 1791 of state charter school capital outlay funds, capital outlay  
 1792 funds calculated through the reduction in the administrative fee  
 1793 provided in s. 1002.33(20), and capital outlay funds allowed in  
 1794 s. 1002.32(9)(e) and (h) exceeds the one-fifteenth cost per  
 1795 student station formula. Funds shall be distributed on the basis  
 1796 of the capital outlay full-time equivalent membership by grade  
 1797 level, which shall be calculated by averaging the results of the  
 1798 second and third enrollment surveys. The Department of Education

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1799 shall distribute capital outlay funds monthly, beginning in the  
 1800 first quarter of the fiscal year, based on one-twelfth of the  
 1801 amount the department reasonably expects the charter school to  
 1802 receive during that fiscal year. The commissioner shall adjust  
 1803 subsequent distributions as necessary to reflect each charter  
 1804 school's actual student enrollment as reflected in the second  
 1805 and third enrollment surveys. The commissioner shall establish  
 1806 the intervals and procedures for determining the projected and  
 1807 actual student enrollment of eligible charter schools.

1808 ~~(4)~~<sup>(2)</sup> A charter school's governing body may use charter  
 1809 school capital outlay funds for the following purposes:

1810 (a) Purchase of real property.

1811 (b) Construction of school facilities.

1812 (c) Purchase, lease-purchase, or lease of permanent or  
 1813 relocatable school facilities.

1814 (d) Purchase of vehicles to transport students to and from  
 1815 the charter school.

1816 (e) Renovation, repair, and maintenance of school  
 1817 facilities that the charter school owns or is purchasing through  
 1818 a lease-purchase or long-term lease of 5 years or longer or  
 1819 furnishing or equipping such facilities.

1820  
 1821 Conversion charter schools may use capital outlay funds received  
 1822 through the reduction in the administrative fee provided in s.  
 1823 1002.33(20) for renovation, repair, and maintenance of school  
 1824 facilities that are owned by the sponsor.

1825 ~~(5)~~<sup>(3)</sup> When a charter school is nonrenewed or terminated,  
 1826 any unencumbered funds and all equipment and property purchased

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1827 with district public funds shall revert to the ownership of the  
 1828 district school board, as provided for in s. 1002.33(8)(e) and  
 1829 (f). In the case of a charter lab school, any unencumbered funds  
 1830 and all equipment and property purchased with university public  
 1831 funds shall revert to the ownership of the state university that  
 1832 issued the charter. The reversion of such equipment, property,  
 1833 and furnishings shall focus on recoverable assets, but not on  
 1834 intangible or irrecoverable costs such as rental or leasing  
 1835 fees, normal maintenance, and limited renovations. The reversion  
 1836 of all property secured with public funds is subject to the  
 1837 complete satisfaction of all lawful liens or encumbrances. If  
 1838 there are additional local issues such as the shared use of  
 1839 facilities or partial ownership of facilities or property, these  
 1840 issues shall be agreed to in the charter contract prior to the  
 1841 expenditure of funds.

1842 (6)~~(4)~~ The Commissioner of Education shall specify  
 1843 procedures for submitting and approving requests for funding  
 1844 under this section and procedures for documenting expenditures.

1845 (7)~~(5)~~ The annual legislative budget request of the  
 1846 Department of Education shall include a request for capital  
 1847 outlay funding for charter schools. The request shall be based  
 1848 on the projected number of students to be served in charter  
 1849 schools who meet the eligibility requirements of this section. A  
 1850 dedicated funding source, if identified in writing by the  
 1851 Commissioner of Education and submitted along with the annual  
 1852 charter school legislative budget request, may be considered an  
 1853 additional source of funding.

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1854        (8)~~(6)~~ Unless authorized otherwise by the Legislature,  
1855 allocation and proration of charter school capital outlay funds  
1856 shall be made to eligible charter schools by the Commissioner of  
1857 Education in an amount and in a manner authorized by subsections  
1858 (2) and (3) ~~subsection (1)~~.

1859        ~~(7) Notwithstanding the provisions of this section,~~  
1860 ~~beginning in the 2003-2004 fiscal year:~~

1861        ~~(a) If the appropriation for charter school capital outlay~~  
1862 ~~funds is no greater than the 2002-2003 appropriation, the funds~~  
1863 ~~shall be allocated according to the formula outlined in~~  
1864 ~~subsection (1) to:~~

1865            1. ~~The same schools that received funding in 2002-2003.~~

1866            2. ~~Schools that are an expanded feeder pattern of schools~~  
1867 ~~that received funding in 2002-2003.~~

1868            3. ~~Schools that have an approved charter and are serving~~  
1869 ~~students at the start of the 2003-2004 school year and either~~  
1870 ~~incurred long term financial obligations prior to January 31,~~  
1871 ~~2003, or began construction on educational facilities prior to~~  
1872 ~~December 31, 2002.~~

1873        ~~(b) If the appropriation for charter school capital outlay~~  
1874 ~~funds is less than the 2002-2003 appropriation, the funds shall~~  
1875 ~~be prorated among the schools eligible in paragraph (a).~~

1876        ~~(c) If the appropriation for charter school capital outlay~~  
1877 ~~funds is greater than the 2002-2003 appropriation, the amount of~~  
1878 ~~funds provided in the 2002-2003 appropriation shall be allocated~~  
1879 ~~according to paragraph (a). First priority for allocating the~~  
1880 ~~amount in excess of the 2002-2003 appropriation shall be to~~  
1881 ~~prorate the excess funds among the charter schools with long-~~

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1882 ~~term debt or long-term lease to the extent that the initial~~  
1883 ~~allocation is insufficient to provide one-fifteenth of the cost~~  
1884 ~~per student station specified in s. 1013.64(6)(b), and second~~  
1885 ~~priority shall be to other eligible charter schools.~~

1886 Section 13. Except as otherwise provided herein, this act  
1887 shall take effect upon becoming a law.