CHAPTER 2009-214

Committee Substitute for Committee Substitute for Senate Bill No. 278

An act relating to charter schools: amending ss. 11.45, 218.39, 218.50. and 218.501. F.S., relating to audit reports by the Auditor General: conforming provisions to changes made by the act: amending ss. 218.503 and 218.504, F.S.: providing that a charter technical career center is subject to certain requirements in a financial emergency: requiring that the sponsor be notified of certain conditions: providing for the development of a financial recovery plan, which may be approved by the Commissioner of Education; amending s. 1002.33. F.S.: providing for duties of a charter school sponsor and governing board if a charter school or charter technical career center experiences a deteriorating financial condition or is in a financial emergency: specifying forms to be used by a charter school applicant and sponsor: requiring applicant training and documentation: deleting requirements relating to auditing and being in a state of financial emergency: requiring charter schools to disclose the identity of relatives of charter school personnel; providing that the immediate termination of a charter is exempt from requirements for an informal hearing or for a hearing under ch. 120, F.S.; providing that good cause for allowing an interdistrict transfer includes, but is not limited to, geographic proximity to a charter school: providing for charter schools to be included in requests for federal stimulus funds and federal competitive grants: revising provisions relating to certain administrative and educational services provided by sponsors to charter schools; providing for the disclosure of the performance of a charter school that is not given a school grade or school improvement rating: revising the requirements for providing certain information to the public; providing reporting requirements; providing restrictions for the employment of relatives by charter school personnel; providing that members of a charter school governing board are subject to certain standards of conduct specified in ss. 112.313 and 112.3143. F.S.: requiring that the State Board of Education adopt rules to implement a charter model application form, evaluation instrument, and charter and charter renewal formats; amending s. 1002.34, F.S.; providing additional duties for charter technical career centers, applicants, sponsors, and governing boards; requiring the Department of Education to offer or arrange training and assistance to applicants for a charter technical career center; requiring that an applicant participate in the training; requiring that the State Board of Education adopt rules to implement a charter model application form and an evaluation instrument relating to charter technical career centers; creating s. 1002.345, F.S.; establishing criteria and requirements for charter schools and charter technical career centers that have a deteriorating financial condition or are in a state of financial emergency; establishing requirements for charter schools, charter technical career centers, governing bodies, and sponsors: providing for corrective action and financial recovery

plans; providing for duties of auditors, the Commissioner of Education, and the Department of Education; requiring the State Board of Education to adopt rules; providing grounds for termination or nonrenewal of a charter; providing an effective date.

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

Section 1. Paragraph (e) of subsection (7) and subsection (8) of section 11.45, Florida Statutes, are amended to read:

11.45 Definitions; duties; authorities; reports; rules.—

(7) AUDITOR GENERAL REPORTING REQUIREMENTS.—

(e) The Auditor General shall notify the Governor or the Commissioner of Education, as appropriate, and the Legislative Auditing Committee of any audit report reviewed by the Auditor General pursuant to paragraph (b) which contains a statement that a local governmental entity, charter school, charter technical career center, or district school board has met one or more of the conditions specified in s. 218.503. If the Auditor General requests a clarification regarding information included in an audit report to determine whether a local governmental entity, charter school, charter technical career center, or district school board has met one or more of the conditions specified in s. 218.503, the requested clarification must be provided within 45 days after the date of the request. If the local governmental entity, charter school, charter technical career center, or district school board does not comply with the Auditor General's request, the Auditor General shall notify the Legislative Auditing Committee. If, after obtaining the requested clarification, the Auditor General determines that the local governmental entity, charter school, charter technical career center, or district school board has met one or more of the conditions specified in s. 218.503, he or she shall notify the Governor or the Commissioner of Education, as appropriate, and the Legislative Auditing Committee.

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

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

218.39 Annual financial audit reports.—

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

the chair of the district school board or the chair's designee, or with the chair of the board of the charter school or the chair's designee, or with the chair of the charter technical career center or the chair's designee, as appropriate, all of the auditor's comments that will be included in the audit report. If the officer is not available to discuss the auditor's comments, their discussion is presumed when the comments are delivered in writing to his or her office. The auditor shall notify each member of the governing body of a local governmental entity, district school board, Θ charter school, or charter technical career center for which deteriorating financial conditions exist that may cause a condition described in s. 218.503(1) to occur if actions are not taken to address such conditions.

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

218.50 Short title.—Sections 218.50-218.504 may be cited as the "Local Governmental Entity, Charter School, <u>Charter Technical Career Center</u>, and District School Board Financial Emergencies Act."

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

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

(1) To promote the fiscal responsibility of local governmental entities, charter schools, <u>charter technical career centers</u>, and district school boards.

(2) To assist local governmental entities, charter schools, <u>charter techni-</u> <u>cal career centers</u>, and district school boards in providing essential services without interruption and in meeting their financial obligations.

(3) To assist local governmental entities, charter schools, <u>charter techni-</u> <u>cal career centers</u>, and district school boards through the improvement of local financial management procedures.

Section 5. Subsections (1), (2), (3), and (4) of section 218.503, Florida Statutes, are amended to read:

218.503 Determination of financial emergency.—

(1) Local governmental entities, charter schools, <u>charter technical career</u> <u>centers</u>, and district school boards shall be subject to review and oversight by the Governor, <u>the</u> charter school sponsor, <u>the charter technical career</u> <u>center sponsor</u>, or the Commissioner of Education, as appropriate, when any one of the following conditions occurs:

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

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

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

1. Taxes withheld on the income of employees; or

- 2. Employer and employee contributions for:
- a. Federal social security; or
- b. Any pension, retirement, or benefit plan of an employee.
- (d) Failure for one pay period to pay, due to lack of funds:
- 1. Wages and salaries owed to employees; or
- 2. Retirement benefits owed to former employees.

(e) An unreserved or total fund balance or retained earnings deficit, or unrestricted or total net assets deficit, as reported on the balance sheet or statement of net assets on the general purpose or fund financial statements, for which sufficient resources of the local governmental entity, <u>charter</u> <u>school</u>, <u>charter</u> technical career center, or <u>district school</u> board, as reported on the balance sheet or statement of net assets on the general purpose or fund financial statements, are not available to cover the deficit. Resources available to cover reported deficits include net assets that are not otherwise restricted by federal, state, or local laws, bond covenants, contractual agreements, or other legal constraints. Fixed or capital assets, the disposal of which would impair the ability of a local governmental entity, <u>charter</u> <u>school</u>, <u>charter</u> technical career center, or <u>district school</u> board to carry out its functions, are not considered resources available to cover reported deficits.

A local governmental entity shall notify the Governor and the Legisla-(2)tive Auditing Committee, a charter school shall notify the charter school sponsor, the Commissioner of Education, and the Legislative Auditing Committee, a charter technical career center shall notify the charter technical career center sponsor, the Commissioner of Education, and the Legislative Auditing Committee, and a district school board shall notify the Commissioner of Education and the Legislative Auditing Committee, when one or more of the conditions specified in subsection (1) have occurred or will occur if action is not taken to assist the local governmental entity, charter school, charter technical career center, or district school board. In addition, any state agency must, within 30 days after a determination that one or more of the conditions specified in subsection (1) have occurred or will occur if action is not taken to assist the local governmental entity, charter school, charter technical career center, or district school board, notify the Governor, charter school sponsor, charter technical career center sponsor, or the Commissioner of Education, as appropriate, and the Legislative Auditing Committee.

(3) Upon notification that one or more of the conditions in subsection (1) <u>have occurred or will occur if action is not taken to assist the local govern-</u><u>mental entity or district school board exist</u>, the Governor or his or her designee shall contact the local governmental entity or the Commissioner of Education or his or her designee shall contact the district school board to determine what actions have been taken by the local governmental entity or the Governor or the Governor or the Commissioner of Education, as appropriate, shall determine whether

the local governmental entity or the district school board needs state assistance to resolve <u>or prevent</u> the condition. If state assistance is needed, the local governmental entity or district school board is considered to be in a state of financial emergency. The Governor or the Commissioner of Education, as appropriate, has the authority to implement measures as set forth in ss. 218.50-218.504 to assist the local governmental entity or district school board in resolving the financial emergency. Such measures may include, but are not limited to:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(4)(a) Upon notification that one or more of the conditions in subsection (1) have occurred or will occur if action is not taken to assist the charter school exist, the charter school sponsor or the sponsor's designee and the <u>Commissioner of Education</u> shall contact the charter school governing body to determine what actions have been taken by the charter school governing body to resolve <u>or prevent</u> the condition. The <u>Commissioner of Education</u> charter school sponsor has the authority to require and approve a financial recovery plan, to be prepared by the charter school governing body, prescribing actions that will <u>resolve or prevent the condition</u> cause the charter school to no longer be subject to this section. The Department of Education shall establish guidelines for developing such plans.

(b) Upon notification that one or more of the conditions in subsection (1) have occurred or will occur if action is not taken to assist the charter technical career center, the charter technical career center sponsor or the sponsor's designee and the Commissioner of Education shall contact the charter technical career center governing body to determine what actions have been taken by the governing body to resolve or prevent the condition. The Commissioner of Education may require and approve a financial recovery plan, to be prepared by the charter technical career center governing body, prescribing actions that will resolve or prevent the condition.

(c) The Commissioner of Education shall determine if the charter school or charter technical career center needs a financial recovery plan to resolve the condition. If the Commissioner of Education determines that a financial recovery plan is needed, the charter school or charter technical career center is considered to be in a state of financial emergency.

The Department of Education, with the involvement of sponsors, charter schools, and charter technical career centers, shall establish guidelines for developing a financial recovery plan.

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Section 6. Section 218.504, Florida Statutes, is amended to read:

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

(1) The local governmental entity, charter school, <u>charter technical career center</u>, or district school board:

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

- (b) Has resolved the conditions outlined in s. 218.503(1).
- (2) None of the conditions outlined in s. 218.503(1) exists.

Section 7. Paragraph (b) of subsection (5), paragraphs (a), (b), and (g) of subsection (6), paragraph (a) of subsection (7), paragraph (d) of subsection (8), paragraphs (g) through (q) of subsection (9), paragraph (a) of subsection (10), present paragraph (d) of subsection (17) is redesignated as paragraph (e) and a new paragraph (d) is added to that subsection, paragraph (a) of subsection (20), and subsections (21) and (23) of section 1002.33, Florida Statutes, are amended, present subsection (24) of that section is redesignated as subsection (26) and amended, and new subsections (24) and (25) are added to that section, to read:

1002.33 Charter schools.—

(5) SPONSOR; DUTIES.—

(b) Sponsor duties.—

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

b. The sponsor shall monitor the revenues and expenditures of the charter school <u>and perform the duties provided in s. 1002.345</u>.

c. The sponsor may approve a charter for a charter school before the applicant has <u>identified</u> secured space, equipment, or personnel, if the applicant indicates approval is necessary for it to raise working funds.

d. The sponsor's policies shall not apply to a charter school unless mutually agreed to by both the sponsor and the charter school.

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

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

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g. The sponsor shall not be liable for civil damages under state law for personal injury, property damage, or death resulting from an act or omission of an officer, employee, agent, or governing body of the charter school.

h. The sponsor shall not be liable for civil damages under state law for any employment actions taken by an officer, employee, agent, or governing body of the charter school.

i. The sponsor's duties to monitor the charter school shall not constitute the basis for a private cause of action.

j. The sponsor shall not impose additional reporting requirements on a charter school without providing reasonable and specific justification in writing to the charter school.

2. Immunity for the sponsor of a charter school under subparagraph 1. applies only with respect to acts or omissions not under the sponsor's direct authority as described in this section.

3. Nothing contained in This paragraph <u>does not waive</u> shall be considered a waiver of sovereign immunity by a district school <u>board's sovereign</u> <u>immunity board</u>.

4. A community college may work with the school district or school districts in its designated service area to develop charter schools that offer secondary education. These charter schools must include an option for students to receive an associate degree upon high school graduation. District school boards shall cooperate with and assist the community college on the charter application. Community college applications for charter schools are not subject to the time deadlines outlined in subsection (6) and may be approved by the district school board at any time during the year. Community colleges <u>may shall</u> not report FTE for any students who receive FTE funding through the Florida Education Finance Program.

(6) APPLICATION PROCESS AND REVIEW.—Charter school applications are subject to the following requirements:

(a) A person or entity wishing to open a charter school shall prepare <u>and</u> <u>submit</u> an application <u>on a model application form prepared by the Department of Education which that</u>:

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

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

3. Contains goals and objectives for improving student learning and measuring that improvement. These goals and objectives must indicate how much academic improvement students are expected to show each year, how success will be evaluated, and the specific results to be attained through instruction.

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

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

6. Documents that the applicant has participated in the training required in subparagraph (g)2. A sponsor may require an applicant to provide additional information as an addendum to the charter school application described in this paragraph.

(b) A sponsor shall receive and review all applications for a charter school using an evaluation instrument developed by the Department of Education. Beginning with the 2007-2008 school year, a sponsor shall receive and consider charter school applications received on or before August 1 of each calendar year for charter schools to be opened at the beginning of the school district's next school year, or to be opened at a time agreed to by the applicant and the sponsor. A sponsor may receive applications later than this date if it chooses. A sponsor may not charge an applicant for a charter any fee for the processing or consideration of an application, and a sponsor may not base its consideration or approval of an application upon the promise of future payment of any kind.

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

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

3. A sponsor shall by a majority vote approve or deny an application no later than 60 calendar days after the application is received, unless the sponsor and the applicant mutually agree in writing to temporarily postpone the vote to a specific date, at which time the sponsor shall by a majority vote approve or deny the application. If the sponsor fails to act on the application, an applicant may appeal to the State Board of Education as provided in paragraph (c). If an application is denied, the sponsor shall, within 10 calendar days <u>after such denial</u>, articulate in writing the specific reasons, based

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upon good cause, supporting its denial of the charter application and shall provide the letter of denial and supporting documentation to the applicant and to the Department of Education supporting those reasons.

4. For budget projection purposes, the sponsor shall report to the Department of Education the approval or denial of a charter application within 10 calendar days after such approval or denial. In the event of approval, the report to the Department of Education shall include the final projected FTE for the approved charter school.

5. Upon approval of a charter application, the initial startup shall commence with the beginning of the public school calendar for the district in which the charter is granted unless the sponsor allows a waiver of this <u>subparagraph</u> provision for good cause.

(g)<u>1</u>. The Department of Education shall offer or arrange for training and technical assistance to charter school applicants in developing business plans and estimating costs and income. This assistance shall address estimating startup costs, projecting enrollment, and identifying the types and amounts of state and federal financial assistance the charter school <u>may will</u> be eligible to receive. The department may provide other technical assistance to an applicant upon written request.

2. A charter school applicant must participate in the training provided by the Department of Education before filing an application. However, a sponsor may require the charter school applicant to attend training provided by the sponsor in lieu of the department's training if the sponsor's training standards meet or exceed the standards developed by the Department of Education. The training shall include instruction in accurate financial planning and good business practices. If the applicant is a management company or other nonprofit organization, the charter school principal and the chief financial officer or his or her equivalent must also participate in the training.

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

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

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

2. The focus of the curriculum, the instructional methods to be used, any distinctive instructional techniques to be employed, and identification and acquisition of appropriate technologies needed to improve educational and administrative performance which include a means for promoting safe, ethical, and appropriate uses of technology which comply with legal and professional standards. The charter shall ensure that reading is a primary focus of the curriculum and that resources are provided to identify and provide specialized instruction for students who are reading below grade level. The

curriculum and instructional strategies for reading must be consistent with the Sunshine State Standards and grounded in scientifically based reading research.

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

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

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

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

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

4. The methods used to identify the educational strengths and needs of students and how well educational goals and performance standards are met by students attending the charter school. Included in The methods <u>shall</u> <u>provide</u> is a means for the charter school to ensure accountability to its constituents by analyzing student performance data and by evaluating the effectiveness and efficiency of its major educational programs. Students in charter schools shall, at a minimum, participate in the statewide assessment program created under s. 1008.22.

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

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

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

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

9. The financial and administrative management of the school, including a reasonable demonstration of the professional experience or competence of those individuals or organizations applying to operate the charter school or those hired or retained to perform such professional services and the description of clearly delineated responsibilities and the policies and practices needed to effectively manage the charter school. A description of internal audit procedures and establishment of controls to ensure that financial

resources are properly managed must be included. Both public sector and private sector professional experience shall be equally valid in such a consideration.

10. The asset and liability projections required in the application which are incorporated into the charter and which shall be compared with information provided in the annual report of the charter school. The charter shall ensure that, if a charter school internal audit or annual financial audit reveals a state of financial emergency as defined in s. 218,503 or deficit financial position, the auditors are required to notify the charter school governing board, the sponsor, and the Department of Education. The internal auditor shall report such findings in the form of an exit interview to the principal or the principal administrator of the charter school and the chair of the governing board within 7 working days after finding the state of financial emergency or deficit position. A final report shall be provided to the entire governing board, the sponsor, and the Department of Education within 14 working days after the exit interview. When a charter school is in a state of financial emergency, the charter school shall file a detailed financial recovery plan with the sponsor. The department, with the involvement of both sponsors and charter schools, shall establish guidelines for developing such plans.

11. A description of procedures that identify various risks and provide for a comprehensive approach to reduce the impact of losses; plans to ensure the safety and security of students and staff; plans to identify, minimize, and protect others from violent or disruptive student behavior; and the manner in which the school will be insured, including whether or not the school will be required to have liability insurance, and, if so, the terms and conditions thereof and the amounts of coverage.

The term of the charter which shall provide for cancellation of the 12. charter if insufficient progress has been made in attaining the student achievement objectives of the charter and if it is not likely that such objectives can be achieved before expiration of the charter. The initial term of a charter shall be for 4 or 5 years. In order to facilitate access to long-term financial resources for charter school construction, charter schools that are operated by a municipality or other public entity as provided by law are eligible for up to a 15-year charter, subject to approval by the district school board. A charter lab school is eligible for a charter for a term of up to 15 years. In addition, to facilitate access to long-term financial resources for charter school construction, charter schools that are operated by a private, not-for-profit, s. 501(c)(3) status corporation are eligible for up to a 15-year charter, subject to approval by the district school board. Such long-term charters remain subject to annual review and may be terminated during the term of the charter, but only according to the provisions set forth in subsection (8).

13. The facilities to be used and their location.

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

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

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

17. In the case of an existing public school <u>that is</u> being converted to charter status, alternative arrangements for current students who choose not to attend the charter school and for current teachers who choose not to teach in the charter school after conversion in accordance with the existing collective bargaining agreement or district school board rule in the absence of a collective bargaining agreement. However, alternative arrangements shall not be required for current teachers who choose not to teach in a charter lab school, except as authorized by the employment policies of the state university which grants the charter to the lab school.

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

(8) CAUSES FOR NONRENEWAL OR TERMINATION OF CHARTER.—

(d) A charter may be terminated immediately if the sponsor determines that good cause has been shown or if the health, safety, or welfare of the students is threatened. <u>The sponsor's determination is not subject to an</u> <u>informal hearing under paragraph (b) or pursuant to chapter 120.</u> The sponsor shall notify in writing the charter school's governing body, the charter school principal, and the department if a charter is immediately terminated. The sponsor shall clearly identify the specific issues that resulted in the immediate termination and provide evidence of prior notification of issues resulting in the immediate termination when appropriate. The school district in which the charter school is located shall assume operation of the school under these circumstances. The charter school's governing board may, within 30 days after receiving the sponsor's decision to terminate the charter, appeal the decision pursuant to the procedure established in subsection (6).

(9) CHARTER SCHOOL REQUIREMENTS.—

(g) A charter school shall provide for an annual financial audit in accordance with s. 218.39. Financial audits that reveal a state of financial emergency as defined in s. 218.503 and are conducted by a certified public accountant or auditor in accordance with s. 218.39 shall be provided to the

governing body of the charter school within 7 working days after finding that a state of financial emergency exists. When a charter school is found to be in a state of financial emergency by a certified public accountant or auditor, the charter school must file a detailed financial recovery plan with the sponsor within 30 days after receipt of the audit.

 $(\underline{g})(\underline{h})$ In order to provide financial information that is comparable to that reported for other public schools, charter schools are to maintain all financial records <u>that</u> which constitute their accounting system:

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

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

Charter schools shall provide annual financial report and program cost report information in the state-required formats for inclusion in district reporting in compliance with s. 1011.60(1). Charter schools that are operated by a municipality or are a component unit of a parent nonprofit organization may use the accounting system of the municipality or the parent but must reformat this information for reporting according to this paragraph. A charter school shall provide a monthly financial statement to the sponsor. The monthly financial statement shall be in a form prescribed by the Department of Education.

(h)(i) The governing board of the charter school shall annually adopt and maintain an operating budget.

 $(\underline{i})(\underline{j})$ The governing body of the charter school shall exercise continuing oversight over charter school operations.

(j)(k) The governing body of the charter school shall be responsible for:

1. Ensuring that the charter school has retained the services of a certified public accountant or auditor for the annual financial audit, pursuant to <u>s.</u> <u>1002.345(2)</u> paragraph (g), who shall submit the report to the governing body.

2. Reviewing and approving the audit report, including audit findings and recommendations for the financial recovery plan.

3.<u>a.</u> Performing the duties in s. 1002.345, including monitoring a corrective action plan.

b. Monitoring a financial recovery plan in order to ensure compliance.

4. Participating in governance training approved by the department <u>which</u> that must include government in the sunshine, conflicts of interest, ethics, and financial responsibility.

(k)(1) The governing body of the charter school shall report its progress annually to its sponsor, which shall forward the report to the Commissioner of Education at the same time as other annual school accountability reports. The Department of Education shall develop a uniform, online annual accountability report to be completed by charter schools. This report shall be easy to utilize and contain demographic information, student performance data, and financial accountability information. A charter school shall not be required to provide information and data that is duplicative and already in the possession of the department. The Department of Education shall include in its compilation a notation if a school failed to file its report by the deadline established by the department. The report shall include at least the following components:

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

2. Financial status of the charter school which must include revenues and expenditures at a level of detail that allows for analysis of the <u>charter</u> <u>school's</u> ability to meet financial obligations and timely repayment of debt.

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

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

(1)(m) A charter school shall not levy taxes or issue bonds secured by tax revenues.

 $(\underline{m})(\underline{n})$ A charter school shall provide instruction for at least the number of days required by law for other public schools, and may provide instruction for additional days.

(n)(Θ) The director and a representative of the governing body of a charter school that has received a school grade of "D" under s. 1008.34(2) shall appear before the sponsor or the sponsor's staff at least once a year to present information concerning each contract component having noted deficiencies. The sponsor shall communicate at the meeting, and in writing to the director, the services provided to the school to help the school address its deficiencies.

 $(\underline{o})(\underline{p})$ Upon notification that a charter school receives a school grade of "D" for 2 consecutive years or a school grade of "F" under s. 1008.34(2), the charter school sponsor or the sponsor's staff shall require the director and

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a representative of the governing body to submit to the sponsor for approval a school improvement plan to raise student achievement and to implement the plan. The sponsor has the authority to approve a school improvement plan that the charter school will implement in the following school year. The sponsor may also consider the State Board of Education's recommended action pursuant to s. 1008.33(1) as part of the school improvement plan. The Department of Education shall offer technical assistance and training to the charter school and its governing body and establish guidelines for developing, submitting, and approving such plans.

1. If the charter school fails to improve its student performance from the year immediately prior to the implementation of the school improvement plan, the sponsor shall place the charter school on probation and shall require the charter school governing body to take one of the following corrective actions:

a. Contract for the educational services of the charter school;

b. Reorganize the school at the end of the school year under a new director or principal who is authorized to hire new staff and implement a plan that addresses the causes of inadequate progress; or

c. Reconstitute the charter school.

2. A charter school that is placed on probation shall continue the corrective actions required under subparagraph 1. until the charter school improves its student performance from the year prior to the implementation of the school improvement plan.

3. Notwithstanding any provision of this paragraph, the sponsor may terminate the charter at any time pursuant to the provisions of subsection (8).

<u>(p)(q)</u> The director and a representative of the governing body of a graded charter school that has submitted a school improvement plan or has been placed on probation under paragraph (<u>o</u>) (p) shall appear before the sponsor or the sponsor's staff at least once a year to present information regarding the corrective strategies that are being implemented by the school pursuant to the school improvement plan. The sponsor shall communicate at the meeting, and in writing to the director, the services provided to the school to help the school address its deficiencies.

(10) ELIGIBLE STUDENTS.—

(a) A charter school shall be open to any student covered in an interdistrict agreement or residing in the school district in which the charter school is located; however, in the case of a charter lab school, the charter lab school shall be open to any student eligible to attend the lab school as provided in s. 1002.32 or who resides in the school district in which the charter lab school is located. Any eligible student shall be allowed interdistrict transfer to attend a charter school when based on good cause. <u>Good cause shall include</u>, <u>but is not limited to, geographic proximity to a charter school in a neighboring school district.</u>

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

(d) Charter schools shall be included by the Department of Education and the district school board in requests for federal stimulus funds in the same manner as district school board-operated public schools, including Title I and IDEA funds and shall be entitled to receive such funds. Charter schools are eligible to participate in federal competitive grants that are available as part of the federal stimulus funds.

(e)(d) District school boards shall make timely and efficient payment and reimbursement to charter schools, including processing paperwork required to access special state and federal funding for which they may be eligible. The district school board may distribute funds to a charter school for up to 3 months based on the projected full-time equivalent student membership of the charter school. Thereafter, the results of full-time equivalent student membership surveys shall be used in adjusting the amount of funds distributed monthly to the charter school for the remainder of the fiscal year. The payment shall be issued no later than 10 working days after the district school board receives a distribution of state or federal funds. If a warrant for payment is not issued within 10 working days after receipt of funding by the district school board, the school district shall pay to the charter school, in addition to the amount of the scheduled disbursement, interest at a rate of 1 percent per month calculated on a daily basis on the unpaid balance from the expiration of the 10 working days until such time as the warrant is issued.

(20) SERVICES.—

(a) A sponsor shall provide certain administrative and educational services to charter schools. These services shall include contract management services; full-time equivalent and data reporting services; exceptional student education administration services; services related to eligibility and reporting duties required to ensure that school lunch services under the federal lunch program, consistent with the needs of the charter school, are provided by the school district at the request of the charter school, that any funds due to the charter school under the federal lunch program be paid to the charter school as soon as the charter school begins serving food under the federal lunch program, and that the charter school is paid at the same time and in the same manner under the federal lunch program as other public schools serviced by the sponsor or the school district; test administration services, including payment of the costs of state-required or districtrequired student assessments; processing of teacher certificate data services; and information services, including equal access to student information systems that are used by public schools in the district in which the charter school is located. Student performance data for each student in a charter school, including, but not limited to, FCAT scores, standardized test scores, previous public school student report cards, and student performance measures, shall be provided by the sponsor to a charter school in the same manner provided to other public schools in the district. A total administrative fee for the provision of such services shall be calculated based upon up to 5 percent of the available funds defined in paragraph (17)(b) for all students. However, a sponsor may only withhold up to a 5-percent administrative fee for enrollment for up to and including 500 students. For charter schools with a population of 501 or more students, the difference between the total administrative fee calculation and the amount of the administrative fee withheld may only be used for capital outlay purposes specified in s. 1013.62(2). Each charter school shall receive 100 percent of the funds awarded to that school pursuant to s. 1012.225. Sponsors shall not charge charter schools any additional fees or surcharges for administrative and educational services in addition to the maximum 5-percent administrative fee withheld pursuant to this paragraph.

(21) PUBLIC INFORMATION ON CHARTER SCHOOLS.—

(a) The Department of Education shall provide information to the public, directly and through sponsors, both on how to form and operate a charter school and on how to enroll in <u>a</u> charter <u>school</u> schools once <u>it is they are</u> created. This information shall include a standard application format, charter format, <u>evaluation instrument</u>, and charter renewal format, which shall include the information specified in subsection (7) and shall be developed by consulting and negotiating with both school districts and charter schools before implementation. <u>The charter and charter renewal</u> These formats shall be used as guidelines by charter school sponsors.

(b)1. The Department of Education shall report student assessment data pursuant to s. 1008.34(3)(c) which is reported to schools that receive a school grade or student assessment data pursuant to s. 1008.341(3) which is reported to alternative schools that receive a school improvement rating to each charter school that:

a. Does not receive a school grade pursuant to s. 1008.34 or a school improvement rating pursuant to s. 1008.341; and

b. Serves at least 10 students who are tested on the statewide assessment test pursuant to s. 1008.22.

2. The charter school shall report the information in subparagraph 1. to each parent of a student at the charter school, the parent of a child on a waiting list for the charter school, the district in which the charter school is located, and the governing board of the charter school. This paragraph does not abrogate the provisions of s. 1002.22, relating to student records, or the requirements of 20 U.S.C. s. 1232g, the Family Educational Rights and Privacy Act.

3.a. Pursuant to this paragraph, the Department of Education shall compare the charter school student performance data for each charter school in subparagraph 1. with the student performance data in traditional public schools in the district in which the charter school is located and other charter schools in the state. For alternative charter schools, the department shall compare the student performance data described in this paragraph with all alternative schools in the state. The comparative data shall be provided by the following grade groupings:

(I) Grades 3 through 5;

(II) Grades 6 through 8; and

(III) Grades 9 through 11.

b. Each charter school shall provide the information specified in this paragraph on its Internet website and also provide notice to the public at large in a manner provided by the rules of the State Board of Education. The State Board of Education shall adopt rules to administer the notice requirements of this subparagraph pursuant to ss. 120.536(1) and 120.54. The website shall include, through links or actual content, other information related to school performance.

(23) ANALYSIS OF CHARTER SCHOOL PERFORMANCE.—Upon receipt of the annual report required by paragraph (9)(k) (9)(1), the Department of Education shall provide to the State Board of Education, the Commissioner of Education, the Governor, the President of the Senate, and the Speaker of the House of Representatives an analysis and comparison of the overall performance of charter school students, to include all students whose scores are counted as part of the statewide assessment program, versus comparable public school students in the district as determined by the statewide assessment program currently administered in the school district, and other assessments administered pursuant to s. 1008.22(3).

(24) RESTRICTION ON EMPLOYMENT OF RELATIVES.

(a) This subsection applies to charter school personnel in a charter school operated by a private entity. As used in this subsection, the term:

1. "Charter school personnel" means a charter school owner, president, chairperson of the governing board of directors, superintendent, governing board member, principal, assistant principal, or any other person employed by the charter school who has equivalent decisionmaking authority and in whom is vested the authority, or to whom the authority has been delegated, to appoint, employ, promote, or advance individuals or to recommend individuals for appointment, employment, promotion, or advancement in connection with employment in a charter school, including the authority as a member of a governing body of a charter school to vote on the appointment, employment, promotion, or advancement of individuals.

2. "Relative" means father, mother, son, daughter, brother, sister, uncle, aunt, first cousin, nephew, niece, husband, wife, father-in-law, mother-inlaw, son-in-law, daughter-in-law, brother-in-law, sister-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half brother, or half sister.

(b) Charter school personnel may not appoint, employ, promote, or advance, or advocate for appointment, employment, promotion, or advancement, in or to a position in the charter school in which the personnel are serving or over which the personnel exercises jurisdiction or control any individual who is a relative. An individual may not be appointed, employed, promoted, or advanced in or to a position in a charter school if such appoint-

ment, employment, promotion, or advancement has been advocated by charter school personnel who serve in or exercise jurisdiction or control over the charter school and who is a relative of the individual or if such appointment, employment, promotion, or advancement is made by the governing board of which a relative of the individual is a member.

(c) The approval of budgets does not constitute "jurisdiction or control" for the purposes of this subsection.

<u>Charter school personnel in schools operated by a municipality or other public entity are subject to s. 112.3135.</u>

(25) STANDARDS OF CONDUCT AND FINANCIAL DISCLOSURE.

(a) A member of a governing board of a charter school, including a charter school operated by a private entity, is subject to ss. 112.313(2), (3), (7), and (12) and 112.3143(3).

(b) A member of a governing board of a charter school operated by a municipality or other public entity is subject to s. 112.3144, which relates to the disclosure of financial interests.

(26)(24) RULEMAKING.—The Department of Education, after consultation with school districts and charter school directors, shall recommend that the State Board of Education adopt rules to implement specific subsections of this section. Such rules shall require minimum paperwork and shall not limit charter school flexibility authorized by statute. <u>The State Board of</u> <u>Education shall adopt rules, pursuant to ss. 120.536(1) and 120.54, to implement a charter model application form, evaluation instrument, and charter and charter renewal formats in accordance with this section.</u>

Section 8. Subsections (4) and (5), paragraphs (d) and (f) of subsection (6), paragraph (c) of subsection (10), paragraph (f) of subsection (11), and subsections (13) and (18) of section 1002.34, Florida Statutes, are amended to read:

1002.34 Charter technical career centers.—

(4) CHARTER.—A sponsor may designate centers as provided in this section. An application to establish a center may be submitted by a sponsor or another organization that is determined, by rule of the State Board of Education, to be appropriate. However, an independent school is not eligible for status as a center. The charter must be signed by the governing body of the center and the sponsor, and must be approved by the district school board and community college board of trustees in whose geographic region the facility is located. If a charter technical career center is established by the conversion to charter status of a public technical center formerly governed by a district school board, the charter status of that center takes precedence in any question of governance. The governance of the center or of any program within the center remains with its board of directors unless the board agrees to a change in governance or its charter is revoked as provided in subsection (15). Such a conversion charter technical career center is not affected by a change in the governance of public technical centers or of programs within other centers that are or have been governed by

district school boards. A charter technical career center, or any program within such a center, that was governed by a district school board and transferred to a community college prior to the effective date of this act is not affected by this provision. An applicant who wishes to establish a center must submit to the district school board or community college board of trustees, or a consortium of one or more of each, an application <u>on a form</u> <u>developed by the Department of Education which that</u> includes:

(a) The name of the proposed center.

(b) The proposed structure of the center, including a list of proposed members of the board of directors or a description of the qualifications for and method of their appointment or election.

(c) The workforce development goals of the center, the curriculum to be offered, and the outcomes and the methods of assessing the extent to which the outcomes are met.

 $(d) \;$ The admissions policy and criteria for evaluating the admission of students.

(e) A description of the staff responsibilities and the proposed qualifications of the teaching staff.

(f) A description of the procedures to be implemented to ensure significant involvement of representatives of business and industry in the operation of the center.

(g) A method for determining whether a student has satisfied the requirements for graduation specified in s. 1003.43 and for completion of a postsecondary certificate or degree.

 $(h) \;\;$ A method for granting secondary and postsecondary diplomas, certificates, and degrees.

 $(i)\,$ A description of and address for the physical facility in which the center will be located.

(j) A method <u>for</u> of resolving conflicts between the governing body of the center and the sponsor and between consortium members, if applicable.

(k) A method for reporting student data as required by law and rule.

(1) A statement that the applicant has participated in the training provided by the Department of Education.

(m) The identity of all relatives employed by the charter technical career center who are related to the center owner, president, chairperson of the governing board of directors, superintendent, governing board member, principal, assistant principal, or any other person employed by the center who has equivalent decisionmaking authority. As used in this paragraph, the term "relative" means father, mother, son, daughter, brother, sister, uncle, aunt, first cousin, nephew, niece, husband, wife, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, stepfa-

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ther, stepmother, stepson, stepdaughter, stepbrother, stepsister, half brother, or half sister.

 $(\underline{m})(\underline{l})$ Other information required by the district school board or community college board of trustees.

Students at a center must meet the same testing and academic performance standards as those established by law and rule for students at public schools and public technical centers. The students must also meet any additional assessment indicators that are included within the charter approved by the district school board or community college board of trustees.

(5) APPLICATION.—An application to establish a center must be submitted by February 1 of the year preceding the school year in which the center will begin operation. The sponsor must review the application <u>using</u> <u>an evaluation instrument developed by the Department of Education</u> and make a final decision on whether to approve the application and grant the charter by March 1, and may condition the granting of a charter on the center's taking certain actions or maintaining certain conditions. Such actions and conditions must be provided to the applicant in writing. The district school board or community college board of trustees is not required to issue a charter to any person.

(6) SPONSOR.—A district school board or community college board of trustees or a consortium of one or more of each may sponsor a center in the county in which the board has jurisdiction.

(d)<u>1</u>. The Department of Education shall offer or arrange for training and technical assistance to applicants in developing business plans and estimating costs and income. This assistance shall address estimating startup costs, projecting enrollment, and identifying the types and amounts of state and federal financial assistance the center may be eligible to receive. The training shall include instruction in accurate financial planning and good business practices.

2. An applicant must participate in the training provided by the Department of Education before filing an application. The Department of Education may provide technical assistance to an applicant upon written request.

(f) The sponsor shall monitor and review the center's progress toward charter goals and shall monitor the center's revenues and expenditures. <u>The sponsor shall perform the duties provided in s. 1002.345</u>.

(10) EXEMPTION FROM STATUTES.—

(c) A center must comply with the antidiscrimination provisions \underline{in} of s. 1000.05 and the provisions in s. 1002.33(24) which relate to the employment of relatives.

(11) FUNDING.—

(f) A center shall provide for an annual financial audit in accordance with s. 218.39. <u>A center shall provide a monthly financial statement to the spon</u>

sor. The monthly financial statement shall be in a form prescribed by the Department of Education.

(13) BOARD OF DIRECTORS AUTHORITY.—The board of directors of a center may decide matters relating to the operation of the school, including budgeting, curriculum, and operating procedures, subject to the center's charter. <u>The board of directors is responsible for performing the duties</u> provided in s. 1002.345, including monitoring the corrective action plan. The board of directors must comply with s. 1002.33(25).

(18) RULES.—The State Board of Education shall adopt rules, pursuant to <u>ss. 120.536(1) and 120.54</u> chapter 120, relating to the implementation of charter technical career centers, including rules to implement a charter model application form and an evaluation instrument in accordance with this section.

Section 9. Section 1002.345, Florida Statutes, is created to read:

<u>1002.345</u> Determination of deteriorating financial conditions and financial emergencies for charter schools and charter technical career centers.— This section applies to charter schools operating pursuant to s. 1002.33 and to charter technical career centers operating pursuant to s. 1002.34.

(1) EXPEDITED REVIEW; REQUIREMENTS.—

(a) A charter school or a charter technical career center is subject to an expedited review by the sponsor if one of the following occurs:

1. Failure to provide for an audit required by s. 218.39.

2. Failure to comply with reporting requirements pursuant to s. 1002.33(9) or s. 1002.34(11)(f) or (14).

3. A deteriorating financial condition identified through an annual audit pursuant to s. 218.39(5) or a monthly financial statement pursuant to s. 1002.33(9)(g) or s. 1002.34(11)(f). "Deteriorating financial condition" means a circumstance that significantly impairs the ability of a charter school or a charter technical career center to generate enough revenues to meet its expenditures without causing the occurrence of a condition described in s. 218.503(1).

4. Notification pursuant to s. 218.503(2) that one or more of the conditions specified in s. 218.503(1) have occurred or will occur if action is not taken to assist the charter school or charter technical career center.

(b) A sponsor shall notify the governing board within 7 business days after one or more of the conditions specified in paragraph (a) occur.

(c) The governing board and the sponsor shall develop a corrective action plan and file the plan with the Commissioner of Education within 30 business days after notification is received as provided in paragraph (b). If the governing board and the sponsor are unable to agree on a corrective action plan, the Commissioner of Education shall determine the components of the plan. The governing board shall implement such plan.

(d) The governing board shall include the corrective action plan and the status of its implementation in the annual progress report to the sponsor which is required pursuant to s. 1002.33(9)(k) or s. 1002.34(14).

(e) If the governing board fails to implement the corrective action plan within 1 year after one or more of the conditions specified in paragraph (a) occur, the State Board of Education shall prescribe any steps necessary for the charter school or the charter technical career center to comply with state requirements.

(f) The chair of the governing board shall annually appear before the State Board of Education and report on the implementation of the State Board of Education's requirements referenced in paragraph (e).

(2) FINANCIAL EMERGENCY; REQUIREMENTS.—

(a)1. If a financial audit conducted by a certified public accountant in accordance with s. 218.39 reveals that one or more of the conditions in s. 218.503(1) have occurred or will occur if action is not taken to assist the charter school or charter technical career center, the auditor shall notify the governing board of the charter school or charter technical career center, as appropriate, the sponsor, and the Commissioner of Education within 7 business days after the finding is made.

2. If the charter school or charter technical career center is found to be in a state of financial emergency pursuant to s. 218.503(4), the charter school or charter technical career center shall file a financial recovery plan pursuant to s. 218.503 with the sponsor and the Commissioner of Education within 30 days after being notified by the Commissioner of Education that a financial recovery plan is needed.

(b) The governing board shall include the financial recovery plan and the status of its implementation in the annual progress report to the sponsor which is required under s. 1002.33(9)(k) or s. 1002.34(14).

(3) REPORT.—The Commissioner of Education shall annually report to the State Board of Education each charter school and charter technical career center that is subject to a financial recovery plan or a corrective action plan under this section.

(4) RULES.—The State Board of Education shall adopt rules pursuant to ss. 120.536(1) and 120.54 for developing financial recovery and corrective action plans, defining a deteriorating financial condition pursuant to subparagraph (1)(a)3., and establishing procedures for determining a deteriorating financial condition pursuant to subparagraph (1)(a)3. and s. 218.39(5). In adopting the rules, the State Board of Education may obtain technical assistance from the Auditor General.

(5) TECHNICAL ASSISTANCE.—The Department of Education shall provide technical assistance to charter schools, charter technical career centers, governing boards, and sponsors in developing financial recovery and corrective action plans.

(6) FAILURE TO CORRECT DEFICIENCIES.—The sponsor may decide not to renew or may terminate a charter if the charter school or charter technical career center fails to correct the deficiencies noted in the corrective action plan within 1 year after being notified of the deficiencies or exhibits one or more financial emergency conditions specified in s. 218.503 for 2 consecutive years. This subsection does not affect a sponsor's authority to terminate or not renew a charter pursuant to s. 1002.33(8).

Section 10. This act shall take effect July 1, 2009.

Approved by the Governor June 24, 2009.

Filed in Office Secretary of State June 24, 2009.