

CHAPTER 2011-232

Committee Substitute for Committee Substitute for Committee Substitute for Senate Bill No. 1546

An act relating to school choice; creating s. 1002.331, F.S.; establishing criteria for high-performing charter schools; authorizing a high-performing charter school to increase enrollment, expand grade levels served, submit a quarterly financial statement, consolidate the charters of certain charter schools, and receive certain modification or renewal of its charter; authorizing a high-performing charter school to apply to establish a charter school that replicates its educational program; providing application requirements; limiting the number of charter schools that may be established; requiring eligibility verification by the Commissioner of Education; creating s. 1002.332, F.S.; providing definitions; establishing criteria for high-performing charter school systems; providing for eligibility verification by the Commissioner of Education; authorizing a high-performing charter school system to replicate its high-performing charter schools; amending s. 1002.33, F.S.; requiring a charter school sponsor to allow a charter school applicant to correct technical deficiencies in its application before approval or denial; establishing standards for sponsor review of a charter school application submitted by a high-performing charter school; authorizing direct appeal to the State Board of Education of a denial of an application; establishing standards for reviewing such an appeal; revising applicant training requirements; requiring inclusion in the charter of procedures relating to high-performing charter schools; requiring charter school governing boards to appoint representatives; providing meeting requirements; revising the procedure for nonrenewal or termination of a charter; authorizing a charter school's governing board to request a hearing regarding charter nonrenewal or termination, including immediate termination; authorizing the sponsor to choose to provide a direct hearing or a hearing before an administrative law judge; authorizing the award of costs and attorney's fees to a charter school if certain criteria are met; authorizing quarterly financial reporting for certain charter schools; establishing additional student enrollment preferences; prohibiting a sponsor from limiting or requiring waiver of certain high-performing charter school benefits as a condition of charter approval or renewal; providing that student capacity of a high-performing charter school shall be determined annually by the governing board; requiring the governing board to provide notice of enrollment increases to the sponsor; revising requirements relating to the imposition of requirements and restrictions on charter school facilities; revising provisions relating to charter school capital outlay funding; providing requirements for charter schools using shared facilities; deleting provisions relating to the Charter School Review Panel; correcting a cross-reference relating to the disclosure of financial interests; authorizing certain charter school systems to be the local educational agency for administering federal funding received by the system's schools; requiring the Department of Education to examine

certain charter school funding and costs and report its findings to the Governor and the Legislature; providing that certain provisions control with respect to other legislation adopted in the same legislative session or an extension thereof; providing an effective date.

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

Section 1. Section 1002.331, Florida Statutes, is created to read:

1002.331 High-performing charter schools.—

(1) A charter school is a high-performing charter school if it:

(a) Received at least two school grades of “A” and no school grade below “B,” pursuant to s. 1008.34, during each of the previous 3 school years.

(b) Received an unqualified opinion on each annual financial audit required under s. 218.39 in the most recent 3 fiscal years for which such audits are available.

(c) Did not receive a financial audit that revealed one or more of the financial emergency conditions set forth in s. 218.503(1) in the most recent 3 fiscal years for which such audits are available. However, this requirement is deemed met for a charter school-in-the-workplace if there is a finding in an audit that the school has the monetary resources available to cover any reported deficiency or that the deficiency does not result in a deteriorating financial condition pursuant to s. 1002.345(1)(a)3.

A virtual charter school established under s. 1002.33 is not eligible for designation as a high-performing charter school.

(2) A high-performing charter school is authorized to:

(a) Increase its student enrollment once per school year by up to 15 percent more than the capacity identified in the charter.

(b) Expand grade levels within kindergarten through grade 12 to add grade levels not already served if any annual enrollment increase resulting from grade level expansion is within the limit established in paragraph (a).

(c) Submit a quarterly, rather than a monthly, financial statement to the sponsor pursuant to s. 1002.33(9)(g).

(d) Consolidate under a single charter the charters of multiple high-performing charter schools operated in the same school district by the charter schools’ governing board regardless of the renewal cycle.

(e) Receive a modification of its charter to a term of 15 years or a 15-year charter renewal. The charter may be modified or renewed for a shorter term at the option of the high-performing charter school. The charter must be consistent with s. 1002.33(7)(a)19. and (10)(h) and (i), is subject to annual

review by the sponsor, and may be terminated during its term pursuant to s. 1002.33(8).

A high-performing charter school shall notify its sponsor in writing by March 1 if it intends to increase enrollment or expand grade levels the following school year. The written notice shall specify the amount of the enrollment increase and the grade levels that will be added, as applicable.

(3)(a) A high-performing charter school may submit an application pursuant to s. 1002.33(6) in any school district in the state to establish and operate a new charter school that will substantially replicate its educational program. An application submitted by a high-performing charter school must state that the application is being submitted pursuant to this paragraph and must include the verification letter provided by the Commissioner of Education pursuant to subsection (5). If the sponsor fails to act on the application within 60 days after receipt, the application is deemed approved and the procedure in s. 1002.33(6)(h) applies. If the sponsor denies the application, the high-performing charter school may appeal pursuant to s. 1002.33(6).

(b) A high-performing charter school may not establish more than one charter school within the state under paragraph (a) in any year. A subsequent application to establish a charter school under paragraph (a) may not be submitted unless each charter school established in this manner achieves high-performing charter school status.

(4) A high-performing charter school may not increase enrollment or expand grade levels following any school year in which it receives a school grade of "C" or below. If the charter school receives a school grade of "C" or below in any 2 years during the term of the charter awarded under subsection (2), the term of the charter may be modified by the sponsor and the charter school loses its high-performing charter school status until it regains that status under subsection (1).

(5) The Commissioner of Education, upon request by a charter school, shall verify that the charter school meets the criteria in subsection (1) and provide a letter to the charter school and the sponsor stating that the charter school is a high-performing charter school pursuant to this section.

(6) A high-performing charter school replicated under this section may not be replicated as a virtual charter school.

Section 2. Section 1002.332, Florida Statutes, is created to read:

1002.332 High-performing charter school system.—

(1) For purposes of this section, the term:

(a) "Entity" means a municipality or other public entity that is authorized by law to operate a charter school; a private, nonprofit

corporation with tax-exempt status under s. 501(c)(3) of the Internal Revenue Code; or a private, for-profit education management corporation.

(b) “High-performing charter school system” means an entity that:

1. Operates at least three high-performing charter schools in the state;

2. Operates a system of charter schools in which at least 50 percent of the charter schools are high-performing charter schools pursuant to s. 1002.331 and no charter school received a school grade of “D” or “F” pursuant to s. 1008.34, except that:

a. If the entity has assumed operation of a public school pursuant to s. 1008.33(5)(a)3. with a school grade of “D” or “F,” that school’s grade shall not be considered in determining high-performing charter school system status for a period of 3 years.

b. If the entity establishes a new charter school that serves a student population the majority of which resides in a school zone served by a public school that is identified as lowest performing under s. 1008.33(4)(b), that charter school’s grade shall not be considered in determining high-performing charter school system status if it attains and maintains a school grade that is higher than that of the public school serving that school zone within 3 years after establishment; and

3. Has not received a financial audit that revealed one or more of the financial emergency conditions set forth in s. 218.503(1) for any charter school assumed or established by the entity.

(2)(a) The Commissioner of Education, upon request by an entity, shall verify that the entity meets the criteria in subsection (1) for the prior school year and provide a letter to the entity stating that it is a high-performing charter school system.

(b) A high-performing charter school system may replicate its high-performing charter schools pursuant to s. 1002.331(3).

Section 3. Paragraphs (b), (c), (e), and (f) of subsection (6), subsection (7), paragraphs (b), (c), and (d) of subsection (8), paragraph (g) of subsection (9), paragraphs (d) and (h) of subsection (10), paragraph (a) of subsection (18), subsections (19) and (22), and paragraph (b) of subsection (25) of section 1002.33, Florida Statutes, are amended, paragraph (i) is added to subsection (10), subsection (26) is renumbered as subsection (27), and a new subsection (26) is added to that section, to read:

1002.33 Charter schools.—

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

(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. Before approving or denying any application, the sponsor shall allow the applicant, upon receipt of written notification, at least 7 calendar days to make technical or nonsubstantive corrections and clarifications, including, but not limited to, corrections of grammatical, typographical, and like errors or missing signatures, if such errors are identified by the sponsor as cause to deny the application.

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. 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 after such denial, articulate in writing the specific reasons, based 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.~~

b. An application submitted by a high-performing charter school identified pursuant to s. 1002.331 may be denied by the sponsor only if the sponsor demonstrates by clear and convincing evidence that:

(I) The application does not materially comply with the requirements in paragraph (a);

(II) The charter school proposed in the application does not materially comply with the requirements in paragraphs (9)(a)-(f);

(III) The proposed charter school's educational program does not substantially replicate that of the applicant or one of the applicant's high-performing charter schools;

(IV) The applicant has made a material misrepresentation or false statement or concealed an essential or material fact during the application process; or

(V) The proposed charter school's educational program and financial management practices do not materially comply with the requirements of this section.

Material noncompliance is a failure to follow requirements or a violation of prohibitions applicable to charter school applications, which failure is quantitatively or qualitatively significant either individually or when aggregated with other noncompliance. An applicant is considered to be replicating a high-performing charter school if the proposed school is substantially similar to at least one of the applicant's high-performing charter schools and the organization or individuals involved in the establishment and operation of the proposed school are significantly involved in the operation of replicated schools.

c. If the sponsor denies an application submitted by a high-performing charter school, the sponsor must, within 10 calendar days after such denial, state in writing the specific reasons, based upon the criteria in subparagraph b., supporting its denial of the application and must provide the letter of denial and supporting documentation to the applicant and to the Department of Education. The applicant may appeal the sponsor's denial of the application directly to the State Board of Education pursuant to subparagraph (c)3.b.

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 subparagraph for good cause.

(c)1. An applicant may appeal any denial of that applicant's application or failure to act on an application to the State Board of Education no later than 30 calendar days after receipt of the sponsor's decision or failure to act

and shall notify the sponsor of its appeal. Any response of the sponsor shall be submitted to the State Board of Education within 30 calendar days after notification of the appeal. Upon receipt of notification from the State Board of Education that a charter school applicant is filing an appeal, the Commissioner of Education shall convene a meeting of the Charter School Appeal Commission to study and make recommendations to the State Board of Education regarding its pending decision about the appeal. The commission shall forward its recommendation to the state board no later than 7 calendar days prior to the date on which the appeal is to be heard.

2. The Charter School Appeal Commission may reject an appeal submission for failure to comply with procedural rules governing the appeals process. The rejection shall describe the submission errors. The appellant shall have 15 calendar days after notice of rejection in which to resubmit an appeal that meets the requirements set forth in State Board of Education rule. An appeal submitted subsequent to such rejection is considered timely if the original appeal was filed within 30 calendar days after receipt of notice of the specific reasons for the sponsor's denial of the charter application.

~~3.a. The State Board of Education shall by majority vote accept or reject the decision of the sponsor no later than 90 calendar days after an appeal is filed in accordance with State Board of Education rule. The Charter School Appeal Commission may reject an appeal submission for failure to comply with procedural rules governing the appeals process. The rejection shall describe the submission errors. The appellant may have up to 15 calendar days from notice of rejection to resubmit an appeal that meets requirements of State Board of Education rule. An application for appeal submitted subsequent to such rejection shall be considered timely if the original appeal was filed within 30 calendar days after receipt of notice of the specific reasons for the sponsor's denial of the charter application. The State Board of Education shall remand the application to the sponsor with its written decision that the sponsor approve or deny the application. The sponsor shall implement the decision of the State Board of Education. The decision of the State Board of Education is not subject to the provisions of the Administrative Procedure Act, chapter 120.~~

b. If an appeal concerns an application submitted by a high-performing charter school identified pursuant to s. 1002.331, the State Board of Education shall determine whether the sponsor has shown, by clear and convincing evidence, that:

(I) The application does not materially comply with the requirements in paragraph (a);

(II) The charter school proposed in the application does not materially comply with the requirements in paragraphs (9)(a)-(f);

(III) The proposed charter school's educational program does not substantially replicate that of the applicant or one of the applicant's high-performing charter schools;

(IV) The applicant has made a material misrepresentation or false statement or concealed an essential or material fact during the application process; or

(V) The proposed charter school's educational program and financial management practices do not materially comply with the requirements of this section.

The State Board of Education shall approve or reject the sponsor's denial of an application no later than 90 calendar days after an appeal is filed in accordance with State Board of Education rule. The State Board of Education shall remand the application to the sponsor with its written decision that the sponsor approve or deny the application. The sponsor shall implement the decision of the State Board of Education. The decision of the State Board of Education is not subject to the Administrative Procedure Act, chapter 120.

(e)1. A Charter School Appeal Commission is established to assist the commissioner and the State Board of Education with a fair and impartial review of appeals by applicants whose charter applications have been denied, whose charter contracts have not been renewed, or whose charter contracts have been terminated by their sponsors.

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

3. The commissioner shall appoint a number of the members to of the Charter School Appeal Commission sufficient to ensure that no potential conflict of interest exists for any commission appeal decision. Members shall serve without compensation but may be reimbursed for travel and per diem expenses in conjunction with their service. Of the members hearing the appeal, one-half of the members must represent currently operating charter schools, and one-half of the members must represent sponsors. The commissioner or a named designee shall chair the Charter School Appeal Commission.

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

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

(f)1. The Department of Education shall provide ~~offer~~ or arrange for training and technical assistance to charter schools ~~school applicants~~ in developing and adjusting business plans and accounting for estimating costs and income. Training and technical ~~This~~ assistance shall also address, at a minimum, state and federal grant and student performance accountability reporting requirements and provide assistance in estimating startup costs, projecting enrollment, and identifying and applying for the types and amounts of state and federal financial assistance the charter school may 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 after approval of an application but at least 30 calendar days before the first day of classes at the charter school 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. In such case, the sponsor may not require the charter school applicant to attend the training within 30 calendar days before the first day of classes at the charter school. The training must shall include instruction in accurate financial planning and good business practices. If the applicant is a management company or a ~~other~~ nonprofit organization, the charter school principal and the chief financial officer or his or her equivalent must also participate in the training. A sponsor may not require a high-performing charter school or high-performing charter school system applicant to participate in the training described in this subparagraph more than once.

(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 board ~~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 of:

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. The methods shall provide 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. 1003.428, s. 1003.429, or s. 1003.43.

6. A method for resolving conflicts between the governing board ~~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 shall be compared with information provided in the annual report of the charter school.

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.

12. The term of the charter which shall provide for cancellation of the 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 that is 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, stepmother, stepson, stepdaughter, stepbrother, stepsister, half brother, or half sister.

19. Implementation of the activities authorized under s. 1002.331 by the charter school when it satisfies the eligibility requirements for a high-performing charter school. A high-performing charter school shall notify its sponsor in writing by March 1 if it intends to increase enrollment or expand grade levels the following school year. The written notice shall specify the amount of the enrollment increase and the grade levels that will be added, as applicable.

(b)1. A charter may be renewed provided that a program review demonstrates that the criteria in paragraph (a) have been successfully accomplished and that none of the grounds for nonrenewal established by paragraph (8)(a) has been documented. In order to facilitate long-term financing for charter school construction, charter schools operating for a minimum of 3 years and demonstrating exemplary academic programming and fiscal management are eligible for a 15-year charter renewal. Such long-term charter is subject to annual review and may be terminated during the term of the charter.

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

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

(d)1. Each charter school’s governing board must appoint a representative to facilitate parental involvement, provide access to information, assist parents and others with questions and concerns, and resolve disputes. The representative must reside in the school district in which the charter school is located and may be a governing board member, charter school employee, or individual contracted to represent the governing board. If the governing board oversees multiple charter schools in the same school district, the governing board must appoint a separate individual representative for each charter school in the district. The representative’s contact information must be provided annually in writing to parents and posted prominently on the charter school’s website if a website is maintained by the school. The sponsor may not require that governing board members reside in the school district in which the charter school is located if the charter school complies with this paragraph.

2. Each charter school’s governing board must hold at least two public meetings per school year in the school district. The meetings must be noticed, open, and accessible to the public, and attendees must be provided an opportunity to receive information and provide input regarding the charter school’s operations. The appointed representative and charter school principal or director, or his or her equivalent, must be physically present at each meeting.

(8) CAUSES FOR NONRENEWAL OR TERMINATION OF CHARTER.

(b) At least 90 days prior to renewing or terminating a charter, the sponsor shall notify the governing board body of the school of the proposed action in writing. The notice shall state in reasonable detail the grounds for the proposed action and stipulate that the school’s governing board body may, within 14 calendar days after receiving the notice, request a ~~an informal~~ hearing. The hearing shall be conducted at the sponsor’s election in accordance with one of the following procedures:

1. A direct hearing conducted by the sponsor within 60 days after receipt of the request for a hearing. The hearing shall be conducted in accordance with ss. 120.569 and 120.57. The sponsor shall decide upon nonrenewal or termination by a majority vote. The sponsor’s decision shall be a final order; or

2. A hearing conducted by an administrative law judge assigned by the Division of Administrative Hearings. The hearing shall be conducted within 60 days after receipt of the request for a hearing and in accordance with chapter 120. The administrative law judge's recommended order shall be submitted to the sponsor. A majority vote by the sponsor shall be required to adopt or modify the administrative law judge's recommended order. The sponsor shall issue a final order before the sponsor. The sponsor shall conduct the informal hearing within 30 calendar days after receiving a written request.

(c) The final order shall state the specific reasons for the sponsor's decision. The sponsor shall provide its final order to the charter school's governing board and the Department of Education no later than 10 calendar days after its issuance. If a charter is not renewed or is terminated pursuant to paragraph (b), the sponsor shall, within 10 calendar days, articulate in writing the specific reasons for its nonrenewal or termination of the charter and must provide the letter of nonrenewal or termination and documentation supporting the reasons to the charter school governing body, the charter school principal, and the Department of Education. The charter school's governing board may, within 30 calendar days after receiving the sponsor's final order written decision to refuse to renew or to terminate the charter, appeal the decision pursuant to s. 120.68 the procedure established in subsection (6).

(d) A charter may be terminated immediately if the sponsor sets forth in writing the particular facts and circumstances indicating that an immediate and serious danger to determines that good cause has been shown or if the health, safety, or welfare of the charter school's students exists is threatened. The sponsor's determination is not subject to the procedures set forth in paragraphs an informal hearing under paragraph (b) and (c), except that the hearing may take place after the charter has been terminated or pursuant to chapter 120. The sponsor shall notify in writing the charter school's governing board body, the charter school principal, and the department if a charter is immediately terminated immediately. 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. Upon receiving written notice from the sponsor, the charter school's governing board has 10 calendar days to request a hearing. A requested hearing must be expedited and the final order must be issued within 60 days after the date of request. The sponsor shall assume operation of the charter school throughout the pendency of the hearing under paragraphs (b) and (c) unless the continued operation of the charter school would materially threaten the health, safety, or welfare of the students. Failure by the sponsor to assume and continue operation of the charter school shall result in the awarding of reasonable costs and attorney's fees to the charter school if the charter school prevails on appeal. 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) In order to provide financial information that is comparable to that reported for other public schools, charter schools are to maintain all financial records that 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's~~ ~~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 unless the charter school is designated as a high-performing charter school pursuant to s. 1002.331, in which case the high-performing charter school may provide a quarterly financial statement. The ~~monthly~~ financial statement required under this paragraph shall be in a form prescribed by the Department of Education.

(10) ELIGIBLE STUDENTS.—

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

1. Students who are siblings of a student enrolled in the charter school.
2. Students who are the children of a member of the governing board of the charter school.
3. Students who are the children of an employee of the charter school.
4. Students who are the children of:
 - a. An employee of the business partner of a charter school-in-the-workplace established under paragraph (15)(b) or a resident of the municipality in which such charter school is located; or
 - b. A resident of a municipality that operates a charter school-in-a-municipality pursuant to paragraph (15)(c).

5. Students who have successfully completed a voluntary prekindergarten education program under ss. 1002.51-1002.79 provided by the charter school or the charter school's governing board during the previous year.

6. Students who are the children of an active-duty member of any branch of the United States Armed Forces.

(h) The capacity of the charter school shall be determined annually by the governing board, in conjunction with the sponsor, of the charter school in consideration of the factors identified in this subsection unless the charter school is designated as a high-performing charter school pursuant to s. 1002.331. A sponsor may not require a charter school to waive the provisions of s. 1002.331 or require a student enrollment cap that prohibits a high-performing charter school from increasing enrollment in accordance with s. 1002.331(2) as a condition of approval or renewal of a charter.

(i) The capacity of a high-performing charter school identified pursuant to s. 1002.331 shall be determined annually by the governing board of the charter school. The governing board shall notify the sponsor of any increase in enrollment by March 1 of the school year preceding the increase.

(18) FACILITIES.—

(a) A startup charter school shall utilize facilities which comply with the Florida Building Code pursuant to chapter 553 except for the State Requirements for Educational Facilities. Conversion charter schools shall utilize facilities that comply with the State Requirements for Educational Facilities provided that the school district and the charter school have entered into a mutual management plan for the reasonable maintenance of such facilities. The mutual management plan shall contain a provision by which the district school board agrees to maintain charter school facilities in the same manner as its other public schools within the district. Charter schools, with the exception of conversion charter schools, are not required to comply, but may choose to comply, with the State Requirements for Educational Facilities of the Florida Building Code adopted pursuant to s. 1013.37. The local governing authority shall not adopt or impose any local building requirements or site-development restrictions, such as parking and site-size criteria, that are addressed by and more stringent than those found in the State Requirements for Educational Facilities of the Florida Building Code. Beginning July 1, 2011, a local governing authority must treat charter schools equitably in comparison to similar requirements, restrictions, and processes imposed upon public schools that are not charter schools. The agency having jurisdiction for inspection of a facility and issuance of a certificate of occupancy or use shall be the local municipality or, if in an unincorporated area, the county governing authority.

(19) CAPITAL OUTLAY FUNDING.—Charter schools are eligible for capital outlay funds pursuant to s. 1013.62. Capital outlay funds authorized in ss. s. 1011.71(2) and 1013.62 that have been shared with a charter school-

in-the-workplace prior to July 1, 2010, are deemed to have met the authorized expenditure requirements for such funds.

~~(22) FACILITIES SHARED BY CHARTER SCHOOLS CHARTER SCHOOL REVIEW PANEL AND LEGISLATIVE REVIEW.—~~

(a) If a charter school moves out of a facility that is shared with another charter school having a separate Master School Identification Number, the charter school must provide for an audit of all equipment, educational materials and supplies, curriculum materials, and other items purchased or developed with federal charter school program grant funds, and such items must be transferred to the charter school's new location. The audit report must be submitted to the Department of Education within 60 days after completion.

(b) A charter school may not transfer an enrolled student to another charter school having a separate Master School Identification Number without first obtaining the written approval of the student's parent.

~~(a) The Department of Education shall staff and regularly convene a Charter School Review Panel in order to review issues, practices, and policies regarding charter schools. The composition of the review panel shall include individuals with experience in finance, administration, law, education, and school governance, and individuals familiar with charter school construction and operation. The panel shall include two appointees each from the Commissioner of Education, the President of the Senate, and the Speaker of the House of Representatives. The Governor shall appoint three members of the panel and shall designate the chair. Each member of the panel shall serve a 1-year term, unless renewed by the office making the appointment. The panel shall make recommendations to the Legislature, to the Department of Education, to charter schools, and to school districts for improving charter school operations and oversight and for ensuring best business practices at and fair business relationships with charter schools.~~

~~(b) The Legislature shall review the operation of charter schools during the 2010 Regular Session of the Legislature.~~

~~(25) STANDARDS OF CONDUCT AND FINANCIAL DISCLOSURE.—~~

~~(b) A member of a governing board of a charter school operated by a municipality or other public entity is subject to s. 112.3145 ~~112.3144~~, which relates to the disclosure of financial interests.~~

(26) LOCAL EDUCATIONAL AGENCY STATUS FOR CERTAIN CHARTER SCHOOL SYSTEMS.—A charter school system shall be designated a local educational agency solely for the purpose of receiving federal funds, in the same manner as if the charter school system were a school district, if the governing board of the charter school system has adopted and filed a resolution with its sponsoring district school board and the Department of Education in which the governing board accepts full responsibility

for all local educational agency requirements and if the charter school system meets all of the following:

- (a) Includes both conversion charter schools and nonconversion charter schools;
- (b) Has all schools located in the same county;
- (c) Has a total enrollment exceeding the total enrollment of at least one school district in the state;
- (d) Has the same governing board; and
- (e) Does not contract with a for-profit service provider for management of school operations.

Such designation does not apply to other provisions of law unless specifically provided by law.

Section 4. (1) For the 2011-2012 fiscal year, the Department of Education shall:

(a) Identify the school districts that distribute funds or provide facilities, renovation, or new construction with funds generated by the capital improvement millage authorized under s. 1011.71(2), Florida Statutes, to charter schools and the use of such funds by the charter schools.

(b) Examine the costs associated with supervising charter schools and determine whether the 5-percent administrative fee for administrative and educational services for charter schools covers the costs associated with the provision of the services.

(c) Examine the distribution of federal education funding to eligible students who are enrolled in charter schools, including, without limitation, funding provided under Title I of the Elementary and Secondary Education Act and the Individuals with Disabilities Education Act.

(d) Examine the impacts of removing the discretion given to school districts regarding the distribution of capital improvement millage authorized under s. 1011.71(2), Florida Statutes, to charter schools-in-a-municipality as set forth in s. 1002.33(15)(c), Florida Statutes.

(2) The Department of Education shall report its findings to the Governor, the President of the Senate, and the Speaker of the House of Representatives no later than January 1, 2012.

Section 5. Section 1002.33(7)(d), Florida Statutes, as created by this act, controls over s. 1002.33(7)(d), Florida Statutes, as created by CS/CS/HB 7197, if both acts are adopted in the same legislative session or an extension thereof and become law.

Section 6. This act shall take effect July 1, 2011.

Approved by the Governor June 27, 2011.

Filed in Office Secretary of State June 27, 2011.