

## Charter School Statute – HB 7103

### Background

The 2006 Legislature enacted HB 7103 which substantially amends provisions of s. 1002.33, F.S., related to charter schools. The bill revises numerous provisions related to charter school governance and academic and financial accountability. In addition, it revises the purposes of charter schools, the charter school application, renewal and appeals process and deadlines, and sponsor duties. The following summarizes the significant changes to the statute.

### Purposes of a Charter School

- One of the five required purposes of a charter, creating new professional opportunities for teachers, including ownership of the learning program at the school site, has been modified to become an optional purpose.

### Charter Application Process and Review

- Beginning with the 2007-2008 school year, district school boards shall receive and consider charter school applications received on or before **August 1** of the calendar year before the anticipated opening. A district school board may receive applications later than this date if it chooses. For 2006, the September 1 deadline applies.
- If an application is denied, the district school board must provide, within 10 calendar days, a letter identifying the specific reasons for denial and supporting documentation to the applicant and to the Department of Education (DOE).

### Charter Contract

- The timeframe for developing and negotiating a charter contract between the charter school and the sponsor has been revised. The sponsor has **60 days** to provide an initial proposed charter contract to the school. Then the school and sponsor have **75 days** thereafter to negotiate and notice the charter contract for final approval by the sponsor unless both parties agree to an extension.
- The proposed charter contract shall be provided to the charter school at least **7 calendar days** prior to the date of the meeting at which the charter is scheduled to be voted upon by the sponsor.

### Terms of a Charter

- The initial term of a charter is changed from 3-5 years to 4 or 5 years.
- The maximum allowable term for charters of schools operated by private, not-for-profit corporations is extended from 10 to 15 years.
- The time specification of 5 years pertaining to how often a charter may be renewed is removed.
- Requirements for 15-year charter renewals now include receiving a school grade of "A" or "B" in 3 of the past 4 years and not being in a state of financial emergency or deficit position. These charters are subject to annual review.
- The requirement that no organization hold more than 15 charters statewide has been eliminated.

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### **Charter Nonrenewal or Termination**

- If a charter is not renewed or is terminated, the sponsor, within 10 calendar days, must articulate in writing the specific reasons and must provide the letter of nonrenewal or termination and documentation supporting the reasons to the charter school governing body, charter school principal, and DOE. The governing body may, within 30 calendar days after receiving the sponsor's final written decision, appeal the decision.
- The sponsor must notify in writing the charter school's governing body, the charter school principal, and DOE 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 charter school's governing board now has 30 calendar days, increased from 14 days, after receiving the sponsor's decision to terminate or refuse to renew the charter to appeal the decision.

### **Sponsor Duties**

- A sponsor cannot impose additional reporting requirements on a charter school without providing reasonable and specific justification in writing to the charter school.
- The sponsor's policies shall not apply to a charter school unless mutually agreed to by both the sponsor and the charter school.
- District school boards shall make timely and efficient payment and reimbursement to charter schools. 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 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 the warrant is issued.
- A sponsor shall provide certain services to charter schools that include services related to eligibility and reporting duties required to ensure that school lunch services under the federal lunch program, consistent with the needs to the charter school, are provided by the school district at the request of the charter school.
- 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 charter schools in the same manner provided to other public schools in the district.
- The standard application format, charter format, and charter renewal format, developed by DOE in consultation and negotiation with school districts and charter schools, shall be used as guidelines by a sponsor.
- The sponsor has the authority to require and approve a financial recovery plan when a school is found to be in a state of financial emergency.

### **Academic Accountability**

- The director and a representative of the governing body of a charter school that has received a school grade of "D" shall appear before the sponsor 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.
- When a charter school receives a grade of "D" for two consecutive years or a grade of "F", the governing board director and a representative must submit a school improvement plan to raise student achievement and to implement it the following year to the sponsor for approval. A separate technical assistance paper will be issued providing guidelines for developing school improvement plans.
- If a charter school fails to improve its student performance from the year immediately prior to the implementation of a school improvement plan, the sponsor will place the school on probation and require to charter school governing body to take corrective action (contract for the educational services

of the charter school; 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 reconstitute the charter school).

- The sponsor may terminate the charter school at any time pursuant to the provisions of s. 1002.33(8), F.S., causes for nonrenewal or termination of charter.
- A school that is placed on probation will continue the corrective actions until the charter school improves its student performance from the year prior to the implementation of the school improvement plan or until the charter is revoked.
- The director and a representative of the governing body of a graded charter school that has submitted a school improvement plan or placed on probation, shall appear before the sponsor at least once a year to present information regarding the corrective strategies being implemented 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.

### **Fiscal Accountability**

- The revised statute clarifies that charter schools are included under the laws governing financial emergencies and reporting, s. 218.503, F.S., and are subject to review and oversight by the charter school sponsor.
- A charter school shall notify the sponsor and the Legislative Auditing Committee when it is found to be in a state of financial emergency. A financial emergency is determined when any one of the following conditions occurs due to lack of funds:
  - Failure to pay short-term loans or make bond debt service or other long-term debt payments when due;
  - Failure to pay uncontested claims from creditors within 90 days after the claim is presented;
  - Failure to transfer at the appropriate time: taxes withheld from employees; or employer or employee contributions for federal social security, pension, retirement or benefit plan;
  - Failure for one pay period to pay wages, salaries or retirement benefits; or
  - 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 for which sufficient resources are not available to cover the deficit.
- Financial audits that reveal a state of financial emergency and are conducted by a certified public accountant or auditor shall be provided to the governing body of the charter school within 7 working days.
- When a charter school is found to be in a state of financial emergency by a certified public accountant or auditor, the school must file a detailed financial recovery plan with the sponsor within 30 days after receipt of the audit. The department will establish guidelines for developing the financial recovery plans.

### **Governing Board Responsibilities**

- The governing body of a charter school shall exercise continuing oversight over charter school operations. New provisions to the charter school statute affecting governing board responsibilities include:
  - The governing board shall ensure that the charter school has retained the services of a certified public accountant or auditor for the annual financial audit.
  - The audit report, including audit findings and recommendation for the financial recovery plan, are reviewed and approved by the governing board.
  - The financial recovery plan is monitored for compliance.

## Conversion Charter Schools

- A school board denying an application for a conversion charter school must provide notice to the applicant in writing within **10 days** after the meeting at which the board denied the application.
- The district school board will consult and negotiate with the conversion charter school every 3 years to determine whether realignment of the conversion charter school's attendance zone is appropriate in order to ensure that students residing closest to the school are provided an enrollment preference.
- Conversion charter schools shall utilize facilities that comply with State Requirements for Educational Facilities provided that the school district and the school have entered into a mutual management plan for the reasonable maintenance of such facilities. This mutual management plan shall contain a provision by which the district school board agrees to maintain the school facilities in the same manner as other public schools within the district.

## Facilities

- Library, community service, museum, performing arts, theatre, cinema, church, community college, and university facilities may provide space to charter schools within their facilities under their preexisting zoning and land use designations.
- Charter school facilities are exempt from assessments of fees for building permits, except as provided in s. 553.80, fees for building and occupational licenses, and impact fees or service availability fees.
- Charter schools may be included, at the discretion of the school board, in the 2 mill levy for school purposes.

## Special Academic Programs

- Charter school programs are removed from special academic programs for which transitioning military families have first priority.

## Additional Resources and Information

The charter schools statute, s. 1002.33, F.S.: [http://www.flsenate.gov/Statutes/index.cfm?App\\_mode=Display\\_Statute&Search\\_String=&URL=Ch1002/SEC33.HTM&Title=->2005->Ch1002->Section%2033#1002.33](http://www.flsenate.gov/Statutes/index.cfm?App_mode=Display_Statute&Search_String=&URL=Ch1002/SEC33.HTM&Title=->2005->Ch1002->Section%2033#1002.33)

The state of financial emergency statute, s. 218.503, F.S.: [http://www.flsenate.gov/Statutes/index.cfm?App\\_mode=Display\\_Statute&Search\\_String=&URL=Ch0218/SEC503.HTM&Title=->2005->Ch0218->Section%20503#0218.503](http://www.flsenate.gov/Statutes/index.cfm?App_mode=Display_Statute&Search_String=&URL=Ch0218/SEC503.HTM&Title=->2005->Ch0218->Section%20503#0218.503)

Annual financial audit reports, s. 218.39, F.S.: [http://www.flsenate.gov/Statutes/index.cfm?App\\_mode=Display\\_Statute&Search\\_String=&URL=Ch0218/SEC39.HTM&Title=->2005->Ch0218->Section%2039#0218.39](http://www.flsenate.gov/Statutes/index.cfm?App_mode=Display_Statute&Search_String=&URL=Ch0218/SEC39.HTM&Title=->2005->Ch0218->Section%2039#0218.39)

Fees for building permits, s. 553.80, F.S.: [http://www.flsenate.gov/Statutes/index.cfm?App\\_mode=Display\\_Statute&Search\\_String=&URL=Ch0553/SEC80.HTM&Title=->2005->Ch0553->Section%2080#0553.80](http://www.flsenate.gov/Statutes/index.cfm?App_mode=Display_Statute&Search_String=&URL=Ch0553/SEC80.HTM&Title=->2005->Ch0553->Section%2080#0553.80)

The Florida Department of Education, Office of Independent Education and Parental Choice:  
<http://www.floridaschoolchoice.org>

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