A bill to be entitled

An act relating to charter schools; amending s. 1002.33, F.S.; providing the delay of certain payments to charter schools; revising the facilities that are exempt from specified assessments of fees; revising the maintenance funds that remain with a conversion school; revising the criteria for a charter school system to be considered a local educational agency; providing an exception to landlords serving on charter school governing boards; amending s. 1013.62, F.S.; revising charter school eligibility and ineligibility criteria to receive charter school capital outlay funding; revising the calculation methodology for determining a charter school's share of specified revenue; revising the authorized uses of charter school capital outlay funding; providing an effective date.

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

Section 1. Paragraphs (b) and (e) of subsection (17), paragraphs (d) and (e) of subsection (18), paragraph (a) of subsection (25), and paragraph (d) of subsection (26) of section 1002.33, Florida Statutes, are amended to read:

1002.33 Charter schools.—

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

(17) FUNDING.—Students enrolled in a charter school, regardless of the sponsorship, shall be funded based upon the applicable program pursuant to s. 1011.62(1)(c), the same as students enrolled in other public schools in a school district. Funding for a charter lab school shall be as provided in s. 1002.32.

(b)1. Funding for students enrolled in a charter school sponsored by a school district shall be the sum of the school district's operating funds from the Florida Education Finance Program as defined in s. 1011.61(4) and the General Appropriations Act, including gross state and local funds, and funds from the school district's current operating discretionary millage levy authorized under s. 1011.71(1) and (9); divided by total funded weighted full-time equivalent students in the school district; and multiplied by the weighted full-time equivalent students for the charter school. Charter schools whose students or programs meet the eligibility criteria in law are entitled to their proportionate share of categorical program funds included in the total funds available in the Florida Education Finance Program by the Legislature, including the student transportation allocation and the educational enrichment allocation. Total funding for each charter school shall be recalculated during the year to reflect the revised calculations under the Florida Education Finance Program by the state and the actual weighted full-time equivalent students reported by the

charter school during the full-time equivalent student survey periods designated by the Commissioner of Education. For charter schools operated by a not-for-profit or municipal entity, any unrestricted current and capital assets identified in the charter school's annual financial audit may be used for other charter schools operated by the not-for-profit or municipal entity within the school district. For charter schools operated by a not-for-profit entity, any unrestricted current or capital assets identified in the charter school's annual audit may be used for other charter schools operated by the not-for-profit entity which are located outside of the originating charter school's school district, but within the state, through an unforgivable loan that must be repaid within 5 years to the originating charter school by the receiving charter school. Unrestricted current assets shall be used in accordance with s. 1011.62, and any unrestricted capital assets shall be used in accordance with s. 1013.62(2).

2.a. Funding for students enrolled in a charter school sponsored by a state university or Florida College System institution pursuant to paragraph (5)(a) shall be provided in the Florida Education Finance Program as defined in s. 1011.61(4) and as specified in the General Appropriations Act. The calculation to determine the amount of state funds includes the sum of the base Florida Education Finance Program established in s. 1011.62(1)(n), the discretionary millage

compression supplement established in s. 1011.62(5), and the state-funded discretionary contribution established in s. 1011.62(6). Charter schools whose students or programs meet the eligibility criteria in law are entitled to their proportionate share of categorical program funds included in the total funds available in the Florida Education Finance Program. The Florida College System institution or state university sponsoring the charter school shall be the fiscal agent for these funds, and all rules of the institution governing the budgeting and expenditure of state funds shall apply to these funds unless otherwise provided by law or rule of the State Board of Education.

(I) The nonvoted required local millage established pursuant to s. 1011.71(1) that would otherwise be required for the charter schools shall be allocated from state funds.

(II) An equivalent amount of funds for the operating discretionary millage authorized pursuant to s. 1011.71(1) shall be allocated to each charter school through a state-funded discretionary contribution established pursuant to s. 1011.62(6).

(III) The comparable wage factor as provided in s. 1011.62(2) shall be established as 1.000.

b. Total funding for each charter school shall be recalculated during the year to reflect the revised calculations under the Florida Education Finance Program by the state and the

actual weighted full-time equivalent students reported by the charter school during the full-time equivalent student survey periods designated by the Commissioner of Education.

c. The Department of Education shall develop a tool that each state university or Florida College System institution sponsoring a charter school shall use for purposes of calculating the funding amount for each eligible charter school student. The total amount obtained from the calculation must be appropriated from state funds in the General Appropriations Act to the charter school.

d. Capital outlay funding for a charter school sponsored by a state university or Florida College System institution pursuant to paragraph (5)(a) is determined as follows: multiply the maximum allowable nonvoted discretionary millage under s. 1011.71(2) by 96 percent of the current year's taxable value for school purposes for the district in which the charter school is located; divide the result by the total full-time equivalent student membership; and multiply the result by the full-time equivalent student membership of the charter school. The amount obtained shall be the discretionary capital improvement funds and shall be appropriated from state funds in the General Appropriations Act.

(e) Sponsors 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, including the timely review and reimbursement of federal grant funds. Payments of funds under paragraph (b) shall be made monthly or twice a month, beginning with the start of the sponsor's fiscal year. Each payment shall be one-twelfth, or one twenty-fourth, as applicable, of the total state and local funds described in paragraph (b) and adjusted as set forth therein. For the first 2 years of a charter school's operation, if a minimum of 75 percent of the projected enrollment is entered into the sponsor's student information system by the first day of the current month, the sponsor shall distribute funds to the school for the months of July through October based on the projected full-time equivalent student membership of the charter school as submitted in the approved application. If less than 75 percent of the projected enrollment is entered into the sponsor's student information system by the first day of the current month, the sponsor shall base payments on the actual number of student enrollment entered into the sponsor's student information system. 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 payments shall be issued no later than 10 working days after the sponsor receives a distribution of state or federal funds or the date the payment is due pursuant to this subsection. With respect to federal grant funds submitted for reimbursement, the

sponsor shall have 60 calendar days from the date of the submission to reimburse the charter school if the submission provides all the necessary information to qualify for reimbursement. If a warrant for payment is not issued within 10 working days after receipt of funding by the sponsor or within 60 calendar days after an approved submittal for reimbursement of federal grant funds, the sponsor 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 or 60 calendar days for the reimbursement of federal grant funds, until such time as the warrant is issued. The district school board may not delay payment to a charter school of any portion of the funds provided in paragraph (b), including any funds from the school district's current operating discretionary millage levy authorized under s. 1011.71(1) and (9), based on the timing of receipt of local funds by the district school board.

(18) FACILITIES.—

(d) Any facility, or portion thereof, used to house a charter school whose charter has been approved by the sponsor and the governing board pursuant to subsection (7) is ~~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; impact fees or exactions;

service availability fees; and assessments for special benefits.

(e) If a district school board facility or property is available because it is surplus, marked for disposal, or otherwise unused, it shall be provided for a charter school's use on the same basis as it is made available to other public schools in the district. A charter school receiving property from the sponsor may not sell or dispose of such property without written permission of the sponsor. Similarly, for an existing public school converting to charter status, a district school board may not charge rental or leasing fees for the existing facility or for the property normally inventoried to the conversion school to the parents, principal, school advisory council, or teachers organizing the charter school. The municipality must negotiate rental or leasing fees with the district school board. Property normally inventoried to the school may not be removed. The charter school shall agree to reasonable maintenance provisions in order to maintain the facility in a manner similar to district school board standards. The Public Education Capital Outlay maintenance funds or any other maintenance funds generated by the facility operated as a conversion school or allocated to the facility operated as a conversion school under s. 1013.62 shall remain with the conversion school.

(25) LOCAL EDUCATIONAL AGENCY STATUS FOR CERTAIN CHARTER SCHOOL SYSTEMS.—

(a) A charter school system's governing board shall be designated a local educational agency for the purpose of receiving federal funds, the same as though the charter school system were a school district, if the governing board of the charter school system has adopted and filed a resolution with each of its sponsors ~~sponsor~~ and the Department of Education in which the governing board of the charter school system accepts the full responsibility for all local education agency requirements and the charter school system meets both ~~all~~ of the following:

~~1. Has all schools located in the same county;~~

1.~~2.~~ Has a total enrollment exceeding the total enrollment of at least one school district in this state.~~; and~~

2.~~3.~~ Has the same governing board.

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

(26) STANDARDS OF CONDUCT AND FINANCIAL DISCLOSURE.—

(d) A landlord of a charter school or his or her spouse or an officer, a director, or an employee of an entity that is a landlord of a charter school or his or her spouse may not be a member of a governing board of a charter school unless:

1. The charter school was established pursuant to paragraph (15)(c);

2. The landlord is a nonprofit, tax-exempt entity whose

mission includes supporting the charter school; or

3. The landlord is a limited liability company, the sole member of which is the charter school.

Section 2. Subsection (1), paragraphs (b) and (d) of subsection (3), and paragraph (e) of subsection (4) of section 1013.62, Florida Statutes, are amended to read:

1013.62 Charter schools capital outlay funding.—

(1) Charter school capital outlay funding shall consist of state funds when such funds are appropriated in the General Appropriations Act and revenue resulting from the discretionary millage authorized in s. 1011.71(2).

(a) To be eligible to receive capital outlay funds, a charter school must:

1.a. Have been in operation for 2 or more years;

b. Be governed by a governing board established in the state for 2 or more years which operates both charter schools and conversion charter schools within the state;

c. Be an expanded feeder chain of a charter school within the same school district that is currently receiving charter school capital outlay funds;

d. Have been accredited by a regional accrediting association as defined by State Board of Education rule;

e. Serve students in facilities that are provided by a business partner for a charter school-in-the-workplace pursuant to s. 1002.33(15)(b); or

f. Be operated by a hope operator pursuant to s. 1002.333.

2. Have an annual audit that does not reveal any of the financial emergency conditions provided in s. 218.503(1) for the most recent fiscal year for which such audit results are available.

3. Have not earned two consecutive grades of "F," three consecutive grades below a "C," or two consecutive school improvement ratings of "Unsatisfactory."

4. Have received final approval from its sponsor pursuant to s. 1002.33 for operation during that fiscal year.

~~5. Serve students in facilities that are not provided by the charter school's sponsor.~~

5.~~6.~~ Attest in writing to the department that if the charter school is nonrenewed or terminated, any unencumbered funds and all equipment and property purchased with public funds shall revert pursuant to subsection (5).

(b) A charter school is not eligible to receive capital outlay funds if:

~~1. It was created by the conversion of a public school and operates in facilities provided by the charter school's sponsor for a nominal fee, or at no charge, or if it is directly or indirectly operated by the school district;~~

1.~~2.~~ It is a developmental research (laboratory) school that receives state funding for capital improvement purposes pursuant to s. 1002.32(9)(d);

2.~~3.~~ A member of the governing board, or his or her family member as defined in s. 440.13(1)(b), has an interest in or is an employee of the lessor, excluding charter schools operating pursuant to s. 1002.33(15) and charter schools whose lessor or property owner is a nonprofit, tax-exempt entity with a mission that includes supporting the school or a limited liability company, the sole member of which is the charter school; or

3.~~4.~~ It is a Florida College System institution or state university sponsored charter school that receives state funding for capital improvement purposes pursuant to s. 1002.33(17)(b)2.d.

(3) If the school board levies the discretionary millage authorized in s. 1011.71(2), the department shall use the following calculation methodology to determine the amount of revenue that a school district must distribute to each eligible charter school:

(b) Divide the school district's adjusted discretionary millage revenue by the district's total capital outlay full-time equivalent membership, not to include any full-time equivalent membership of eligible charter schools, and the total number of full-time equivalent students of each eligible charter school to determine a capital outlay allocation per full-time equivalent student.

(d) ~~If applicable, reduce the capital outlay allocation identified in paragraph (c) by the total amount of state funds~~

~~allocated to each eligible charter school in subsection (2) to determine the maximum calculated capital outlay allocation.~~ The amount of funds a school district must distribute to charter schools shall be as follows:

1. For fiscal year 2023-2024, the amount is 20 percent of the amount calculated under this paragraph.

2. For fiscal year 2024-2025, the amount is 40 percent of the amount calculated under this paragraph.

3. For fiscal year 2025-2026, the amount is 60 percent of the amount calculated under this paragraph.

4. For fiscal year 2026-2027, the amount is 80 percent of the amount calculated under this paragraph.

5. For fiscal year 2027-2028, and each fiscal year thereafter, the amount is 100 percent of the amount calculated under this paragraph.

By October 1 of each year, each school district shall certify to the department the amount of debt service and participation requirement that complies with the requirement of paragraph (a) and can be reduced from the total discretionary millage revenue. The Auditor General shall verify compliance with the requirements of paragraph (a) and s. 1011.71(2)(e) during scheduled operational audits of school districts.

(4) A charter school's governing body may use charter school capital outlay funds for the following purposes:

(e) Renovation, repair, and maintenance of school facilities that the charter school owns or is purchasing through a lease-purchase, occupies under a ~~or~~ long-term lease of 5 years or longer, or has agreed to maintain under a mutual management plan with the charter school's sponsor.

Any purchase, lease-purchase, or lease made pursuant to this subsection must be at the appraised value. For purposes of this subsection, the term "appraised value" means the fair market value as determined by an independent, Florida-licensed, qualified appraiser selected by the governing board. Documentation of the appraised value shall be provided to the department upon its request. Conversion charter schools may use capital outlay funds received through the reduction in the administrative fee provided in s. 1002.33(20) for renovation, repair, and maintenance of school facilities that are owned by the sponsor.

Section 3. This act shall take effect July 1, 2026.