



# Charter School Update

Florida School Finance Officers Conference

June 23, 2016

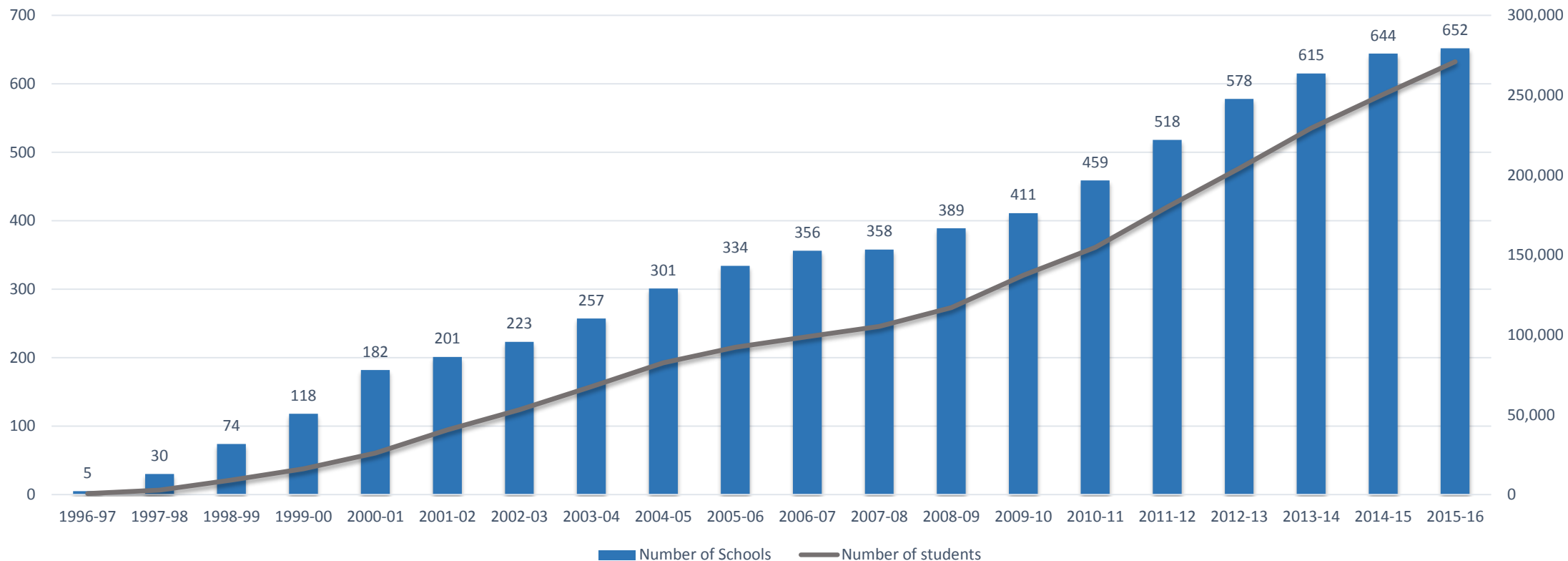
Adam Miller

Executive Director

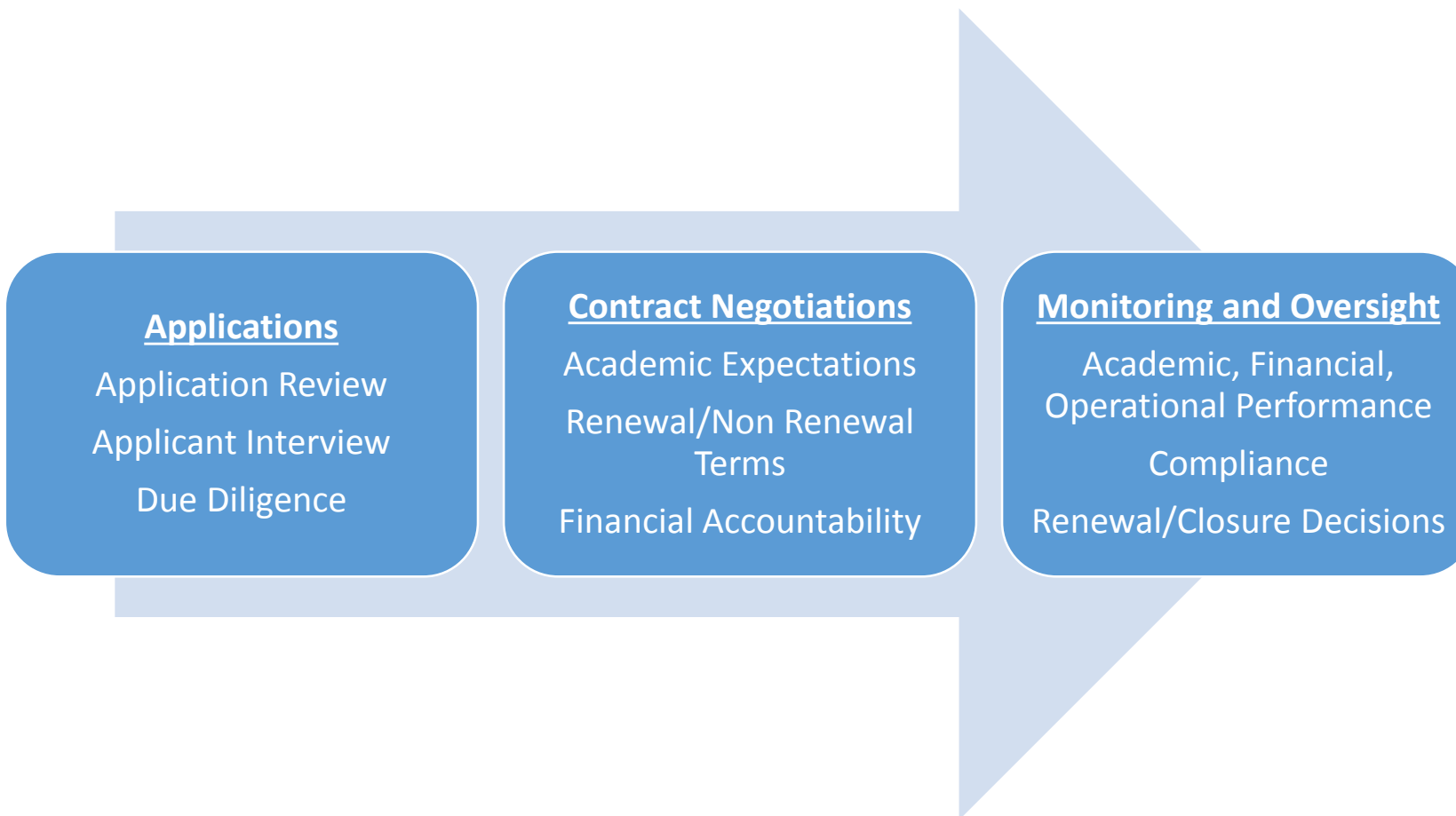
Office of Independent Education and Parental Choice

[www.FLDOE.org](http://www.FLDOE.org)

## Historical Growth



# Charter School Authorizing Process



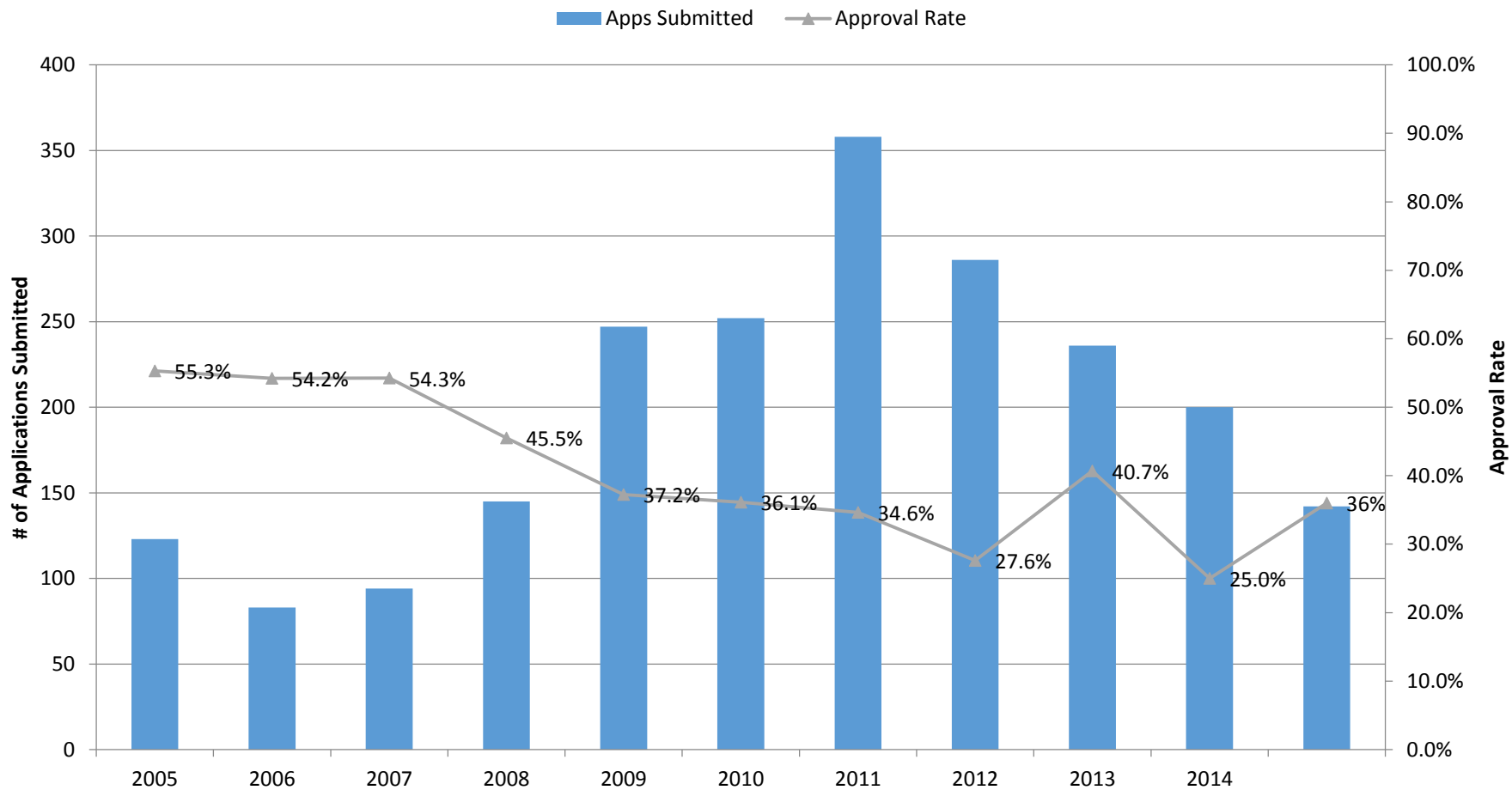
## Model Forms for Charter Schools and Sponsors

- Model Forms
  - Charter School Application
  - Application Evaluation Instrument
  - Charter School Standard Contract
- Purpose
  - Ensure rigor and consistency
  - Set high standard for charter approvals and performance

## Model Charter School Application

- Required for all applicants
- Developed in consultation with districts, operators, and national experts (2009)
- Revised in 2016
- Districts may request information of the applicant in addition to what is on the model applications

# History of Application Approval Rate



# Model Charter School Application Revisions: Summer 2015

- Applicant History Worksheet
  - Adopted by State Board of Education -June 2015
  - Completed by applicants with previous charter school experience
    - Individual (leadership), governing board, management company
  - 5 years of data per charter school
    - Status (active/closed)
    - Enrollment and Free and Reduced Lunch%
    - Academic performance
      - Grade/School Improvement Rating
    - **Financial performance**
      - **Fund balance**
      - **Financial emergency condition**

# Model Charter School Application

## Revisions: January 2016

- Substantial revisions to current application
- Collaborative effort
  - National Association of Charter School Authorizers (NACSA)
  - Districts and Operators
    - Florida Association of Charter School Authorizers (FACSA)
    - Florida Charter School Alliance
    - Florida Consortium of Public Charter Schools
- Rule workshops September 2015

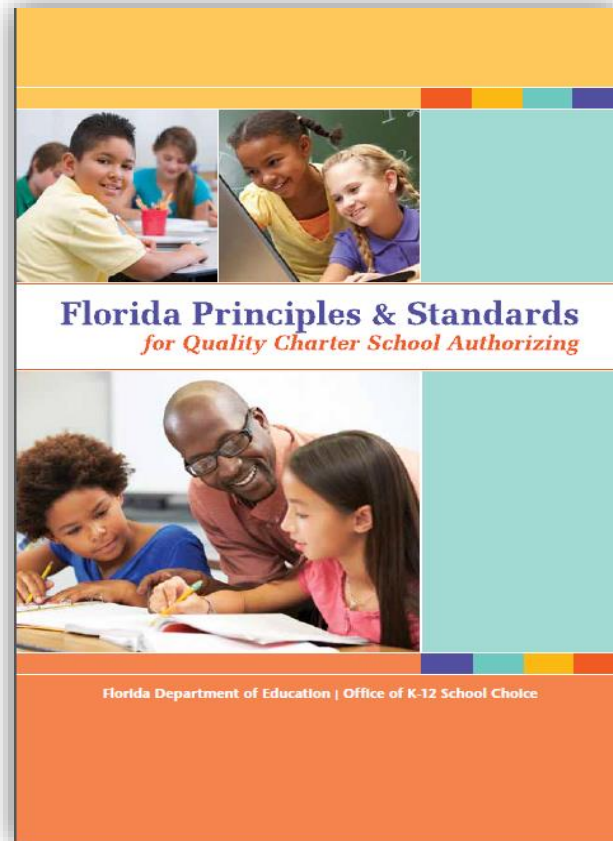
## Major Changes

- Executive summary- 2 pages
- Page limits- Main narrative
  - 110 pages (including prompts)
  - 140 pages if completing addendum (management company or replication)
  - Does not apply to list of attachments
- Board member information forms
- Attestation form
  - Standards of conduct and financial disclosure
  - Restriction on employment of relatives

# Model Application Revisions

Cover Sheet		
Executive Summary		
<b>Educational Plan</b>	<b>Organizational Plan</b>	<b>Business Plan</b>
Mission, Guiding Principles and Purpose	Governance	Facilities
Target Population and Student Body	Management	Transportation Service
Educational Program Design	Human Resources and Employment	Food Service
Curriculum Plan	Professional Development	School Safety and Security
Student Performance, Assessment and Evaluation	Student Recruitment and Enrollment	Budget
Exceptional Students	Parent and Community Involvement	Financial Management and Oversight
English Language Learners		Start-Up Plan
School Climate and Discipline		
Supplemental Programming		
Replications		
Education Service Providers		

# Florida Principles and Standards for Quality Charter School Authorizing



- Standard 2: Application Process and Decision Making
  - Exercise due diligence in reviewing applications
  - Grant charters only to applicants that have demonstrated competence and capacity to succeed in all aspects of school consistent with approval criteria
  - Rigorously evaluate each application through review of written application, substantive interview with the applicant group, and other due diligence to examine the applicant's experience and capacity

## Standard Contract

- Authorized in 2013
- Developed in two stages
  - Draft to Legislature November 1, 2013
  - Rule adopted November 2014
    - Rule making initiated at conclusion of 2014 session
    - Six rule development workshops
- May be amended by parties
  - Standard contract must be starting point for negotiations
  - Does not become default if parties cannot agree

## Standard Contract: Provisions

- Approved application is incorporated
- Assets considered public unless otherwise documented
- District may withhold payment to cover cost of school's final audit
- If actual enrollment is less than 75% of projected enrollment, school must adopt revised budget
- Funding adjusts immediately if actual enrollment is less than 75% of projected enrollment for initial FEFP payments (now in statute)
- District may withhold FEFP payments if school's certificates expire
- District may withhold FEFP payments if school fails to submit monthly financial reports or annual audit

## Statutory Accountability: Financial

- Sponsor shall monitor the revenues and expenditures of the charter school
- Charter school may be terminated for failure to meet generally accepted standards of fiscal management
- Charter school may be terminated if charter school has two consecutive audits with a financial emergency condition

## Reporting Requirements in Law

- Monthly financial statement that contains balance sheet and statement of revenues, expenditures and changes in fund balance
- Annual audit
- Annual program cost report
- Annual progress report
  - Student achievement data
  - Financial status
  - Documentation of current facilities in use
  - Descriptive information about personnel, including salaries and benefits



# Uniform Monthly Financial Statement

Governmental Accounting Standards Board (GASB) Monthly Financial Form  
(School Name) with MSID Number ( )  
County, Florida  
Balance Sheet (Unaudited)  
(DATE)

	Accounts	General Fund	Special Revenue Fund	Debt Service	Capital Outlay	Total Governmental Funds
<b>ASSETS</b>						
Cash and cash equivalents	1110	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	1160					-
Grant receivables	1130					-
Other current assets	12XX					-
Deposits	1210					-
Due from other funds	1140					-
Other long-term assets	1400					-
<b>Total Assets</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>LIABILITIES AND FUND BALANCE</b>						
<b>Liabilities</b>						
Accounts payable	2120	\$ -	\$ -	\$ -	\$ -	\$ -
Salaries, benefits, and payroll taxes payable	2110, 2170, 2330					-
Deferred revenue	2410					-
Notes/bonds payable	2180, 2250, 2310, 2320					-
Lease payable	2315					-
Other liabilities	21XX, 22XX, 23XX					-
<b>Total Liabilities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balance</b>						
Nonspendable	2710					-
Restricted	2720					-
Committed	2730					-
Assigned	2740					-
Unassigned	2750					-
<b>Total Fund Balance</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>



# Uniform Monthly Financial Statement

FTE Projected FTE Actual	(School Name) with MSID Number (____) County, Florida Statement of Revenue, Expenditures, and Changes in Fund Balance (Unaudited) For Month or Quarter Ended and For the Year Ending ____ (DATE) ____																				
	% Percent of Projected																				
	General Fund				Special Revenue				Debt Service				Capital Outlay				Total Governmental Funds				
Account Number	Month/Quarter Actual	YTD Actual	Annual Budget	% of YTD Actual to Annual Budget	Month/Quarter Actual	YTD Actual	Annual Budget	% of YTD Actual to Annual Budget	Month/Quarter Actual	YTD Actual	Annual Budget	% of YTD Actual to Annual Budget	Month/Quarter Actual	YTD Actual	Annual Budget	% of YTD Actual to Annual Budget	Month/Quarter Actual	YTD Actual	Annual Budget	% of YTD Actual to Annual Budget	
<b>Revenue</b>																					
<b>FEDERAL SOURCES</b>																					
Federal direct	3100	\$ -	\$ -	\$ -	%	\$ -	\$ -	\$ -	%	\$ -	\$ -	\$ -	%	\$ -	\$ -	\$ -	%	\$ -	\$ -	\$ -	%
Federal through state and local	3200																				
<b>STATE SOURCES</b>																					
FEPP	3310																				
Capital outlay	3397																				
Class size reduction	3355																				
School recognition	3361																				
Other state revenue	33XX																				
<b>LOCAL SOURCES</b>																					
Interest	3430																				
Local capital improvement tax	3413																				
Other local revenue	34XX																				
<b>Total Revenue</b>																					
<b>Expenditures</b>																					
<b>Current Expenditures</b>																					
Instruction	5000																				
Instructional support services	6000																				
Board	7100																				
School administration	7300																				
Facilities and acquisition	7400																				
Fiscal services	7500																				
Food services	7600																				
Central services	7700																				
Pupil transportation services	7800																				
Operation of plant	7900																				
Maintenance of plant	8100																				
Administrative technology services	8200																				
Community services	9100																				
Debt service	9200																				
<b>Total Expenditures</b>																					
<b>Excess (Deficiency) of Revenue Over Expenditures</b>																					
<b>Other Financing Sources (Uses)</b>																					
Transfers in	3600																				
Transfers out	9700																				
<b>Total Other Financing Sources (Uses)</b>																					
<b>Net Change in Fund Balance</b>																					
Fund balances, beginning																					
Adjustments to beginning fund balance																					
<b>Fund Balance, Beginning as Restated</b>																					
<b>Fund Balance, Ending</b>																					

## Expedited Reviews and Financial Corrective Action

- Districts can require financial corrective action plans if:
  - Charter fails to comply with reporting requirements
  - Audit reveals financial condition or deteriorating financial condition
  - Review of monthly financial statement reveals deteriorating financial condition. This may include, but is not limited to the following situations:
    - Enrollment less than 70% of projected
    - Enrollment insufficient to generate necessary revenues
    - Actual expenses exceed budgeted expenses for three consecutive months
    - Unbudgeted need arises for which school has insufficient reserves

## Sponsor (District) Authority to Close Charter School

- Statutory authority
  - Failure to participate in the state's education accountability system created in section 1008.31, Florida Statutes
  - Failure to meet the requirements for student performance stated in the charter contract
  - Failure to meet generally accepted standards of fiscal management
  - Violation of law
  - Other good cause shown
- Contractual terms
  - Standard contract includes 18 good cause reasons for termination or non-renewal

## Changes in Law – 2016 (HB7029)

- Sponsors must consider past performance of charter applicants
- Approved applicants may defer opening of charter school for up to two years to provide time for adequate facility planning
- Admission or dismissal must not be based on academic performance
- Monthly financial statements begin upon contract execution
- Sponsor must review monthly financial statements
- Automatic termination for charter schools that receive two consecutive grades of F
- Charter may provide enrollment preference for students attending a low-performing public school

## Changes in Law – 2016 (HB7029)

- Charters eligible to receive research-based reading allocation
- FEFP payments made monthly or twice a month beginning with fiscal year. Each payment 1/12 or 1/24 of total state and local funds.
- FEFP payments for July-October (first two years)
  - Based upon projected enrollment in approved application if at least 75% of projected enrollment is entered into sponsor's student information system by first day of month
  - If less than 75%, sponsor shall base payments on the actual number of students entered into student information system
- District may not delay payment to a charter school based on timing of receipt of local funds

## Links to Forms

- Model Forms- <http://www.fldoe.org/schools/school-choice/charter-schools/charter-school-reference>
  - Model application
  - Application evaluation instrument
  - Standard contract
  - Monthly financial statements forms
- Revisions to Model Application
  - <http://www.fldoe.org/schools/school-choice/charter-schools/charter-school-reference/rules-under-development.shtml>



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