

**District School Board of Indian River County**  
**1990 25<sup>th</sup> Street, Vero Beach, FL 32960**  
**Discussion Session**  
**Agenda**

**Date: May 12, 2015**

**Time: 9:00 a.m.**

**Room: Teacher Education Center (TEC)**

It is hereby advised that if a person decides to appeal any discussion by the Board with respect to any matter considered at this discussion session, he/she will need to ensure that a verbatim record is made that includes the testimony and evidence upon which the appeal is to be made.

**Charter Schools Discussion Session Agenda**

- I. CALL DISCUSSION SESSION TO ORDER – Chairman McCain
  
- II. PRESENTATIONS AND INFORMATION EXCHANGE BY CHARTER SCHOOLS – Chairman McCain
  - A. Indian River Charter High School**
    - 1. School presentation and general information exchange
    - 2. Five-year Capital Outlay Plan presented to the Board
    - 3. Disclosure of State funding for Capital Outlay received previously
    - 4. Agenda item additions, if requested by Charter School
    - 5. Compliance measures to conform to non-drug testing for the purpose of school admittance (to be removed if previously resolved)
  - B. Sebastian Charter Junior High School**
    - 1. School presentation and general information exchange
    - 2. Five-year Capital Outlay Plan presented to the Board
    - 3. Disclosure of State funding for Capital Outlay received previously
    - 4. Agenda item additions, if requested by Charter School
  - C. Imagine South Charter School**
    - 1. School presentation and general information exchange
    - 2. Five-year Capital Outlay Plan presented to the Board
    - 3. Disclosure of State funding for Capital Outlay received previously
    - 4. Agenda item additions, if requested by Charter School
  - D. North County Elementary Charter School**
    - 1. School presentation and general information exchange
    - 2. Five-year Capital Outlay Plan presented to the Board
    - 3. Disclosure of State funding for Capital Outlay received previously
    - 4. Agenda item additions, if requested by Charter School

- E. St. Peter's Academy Charter School**
  - 1. School presentation and general information exchange
  - 2. Five-year Capital Outlay Plan presented to the Board
  - 3. Disclosure of State funding for Capital Outlay received previously
  - 4. Agenda item additions, if requested by Charter School
  
- III. SUPERINTENDENT AND STAFF PRESENTATION – Dr. Adams
  - A. District's Budget and Five-year Capital Outlay Plan**
  - B. Presentation on Surrounding Counties Policies for Capital Outlay Funding to Charter Schools**
  
- IV. PRESENTATION BY SCHOOL BOARD ATTORNEY – Mrs. D'Agresta
  - A. State Statutes Governing Capital Outlay Funding Provided to Charter Schools and Legal Issues Regarding District Funding**
  
- IV. BOARD QUESTIONS AND ANSWERS WITH DISCUSSION – Chairman McCain
  
- V. ADJOURNMENT – Chairman McCain

Anyone who needs a special accommodation for this workshop may contact the School District's American Disabilities Act Coordinator, at 564-3175 (TTY 564-8507) at least 48 hours in advance of meeting. NOTE: Changes and amendments to the agenda can occur 72 hours prior to the session. All discussion sessions will be held in the Teacher Education Center (TEC) located in the J.A. Thompson Administrative Center at 1990 25th Street, Vero Beach, unless otherwise specified. The session will be audio recorded. The agenda can be accessed by Internet at <http://www.indianriverschools.org>

## I. Portions of statutes regarding charter school capital funding

### 1002.33 Charter schools.—

\* \* \* \*

(19) **CAPITAL OUTLAY FUNDING**.—Charter schools are eligible for capital outlay funds pursuant to s. 1013.62. Capital outlay funds authorized in ss. 1011.71(2) and 1013.62 which 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.

\* \* \* \*

**1013.62 Charter schools capital outlay funding.—**

(1) In each year in which funds are appropriated for charter school capital outlay purposes, the Commissioner of Education shall allocate the funds among eligible charter schools.

(a) To be eligible for a funding allocation, a charter school must:

- 1.a. Have been in operation for 3 or more years;
  - b. Be governed by a governing board established in the state for 3 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 the Commission on Schools of the Southern Association of Colleges and Schools; or
  - 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).
2. Have financial stability for future operation as a charter school.
  3. Have satisfactory student achievement based on state accountability standards applicable to the charter school.
  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.

(b) The first priority for charter school capital outlay funding is to allocate to charter schools that received funding in the 2005-2006 fiscal year an allocation of the same amount per capital outlay full-time equivalent student, up to the lesser of the actual number of capital outlay full-time equivalent students in the current year, or the capital outlay full-time equivalent students in the 2005-2006 fiscal year. After calculating the first priority, the second priority is to allocate excess funds remaining in the appropriation in an amount equal to the per capital outlay full-time equivalent student amount in the first priority calculation to eligible charter schools not included in the first priority calculation and to schools in the first priority calculation with growth greater than the 2005-2006 capital outlay full-time equivalent students. After calculating the first and second priorities, excess funds remaining in the appropriation must be allocated to all eligible charter schools.

(c) A charter school's allocation may not exceed one-fifteenth of the cost per student station specified in s. 1013.64(6)(b). Before releasing capital outlay funds to a school district on behalf of the charter school, the Department of Education must ensure that the district school board and the charter school governing board enter into a written agreement that provides for the reversion of any unencumbered funds and all equipment and property purchased with public education funds to the

ownership of the district school board, as provided for in subsection (3) if the school terminates operations. Any funds recovered by the state shall be deposited in the General Revenue Fund.

\* \* \* \*

(e) Unless otherwise provided in the General Appropriations Act, the funding allocation for each eligible charter school is determined by multiplying the school's projected student enrollment by one-fifteenth of the cost-per-student station specified in s. 1013.64(6)(b) for an elementary, middle, or high school, as appropriate. If the funds appropriated are not sufficient, the commissioner shall prorate the available funds among eligible charter schools. However, a charter school or charter lab school may not receive state charter school capital outlay funds greater than the one-fifteenth cost per student station formula if the charter school's combination of state charter school capital outlay funds, capital outlay funds calculated through the reduction in the administrative fee provided in s. 1002.33(20), and capital outlay funds allowed in s. 1002.32(9)(e) and (h) exceeds the one-fifteenth cost per student station formula.

(f) Funds shall be distributed on the basis of the capital outlay full-time equivalent membership by grade level, which is calculated by averaging the results of the second and third enrollment surveys. The Department of Education shall distribute capital outlay funds monthly, beginning in the first quarter of the fiscal year, based on one-twelfth of the amount the department reasonably expects the charter school to receive during that fiscal year. The commissioner shall adjust subsequent distributions as necessary to reflect each charter school's actual student enrollment as reflected in the second and third enrollment surveys. The commissioner shall establish the intervals and procedures for determining the projected and actual student enrollment of eligible charter schools.

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

- (a) Purchase of real property.
- (b) Construction of school facilities.
- (c) Purchase, lease-purchase, or lease of permanent or relocatable school facilities.
- (d) Purchase of vehicles to transport students to and from the charter school.
- (e) Renovation, repair, and maintenance of school facilities that the charter school owns or is purchasing through a lease-purchase or long-term lease of 5 years or longer.
- (f) Effective July 1, 2008, purchase, lease-purchase, or lease of new and replacement equipment, and enterprise resource software applications that are classified as capital assets in accordance with definitions of the Governmental Accounting Standards Board, have a useful life of at least 5 years, and are used to support schoolwide administration or state-mandated reporting requirements.
- (g) Payment of the cost of premiums for property and casualty insurance necessary to insure the school facilities.

(h) Purchase, lease-purchase, or lease of driver's education vehicles; motor vehicles used for the maintenance or operation of plants and equipment; security vehicles; or vehicles used in storing or distributing materials and equipment.

\* \* \* \*

(3) When a charter school is nonrenewed or terminated, any unencumbered funds and all equipment and property purchased with district public funds shall revert to the ownership of the district school board, as provided for in s. 1002.33(8)(e) and (f). \* \* \* \* The reversion of such equipment, property, and furnishings shall focus on recoverable assets, but not on intangible or irrecoverable costs such as rental or leasing fees, normal maintenance, and limited renovations. The reversion of all property secured with public funds is subject to the complete satisfaction of all lawful liens or encumbrances. If there are additional local issues such as the shared use of facilities or partial ownership of facilities or property, these issues shall be agreed to in the charter contract prior to the expenditure of funds.

\* \* \* \*

(5) The annual legislative budget request of the Department of Education shall include a request for capital outlay funding for charter schools. The request shall be based on the projected number of students to be served in charter schools who meet the eligibility requirements of this section. A dedicated funding source, if identified in writing by the Commissioner of Education and submitted along with the annual charter school legislative budget request, may be considered an additional source of funding.

(6) Unless authorized otherwise by the Legislature, allocation and proration of charter school capital outlay funds shall be made to eligible charter schools by the Commissioner of Education in an amount and in a manner authorized by subsection (1).

1013.64 Funds for comprehensive educational plant needs; construction cost maximums for school district capital projects.—

\* \* \* \*

(6)(b)1. \* \* \* \* total **cost per student station**, including change orders \* \* \* \* :

- a. \$17,952 for an elementary school,
- b. \$19,386 for a middle school, or
- c. \$25,181 for a high school,

(January 2006) as **adjusted annually to reflect increases or decreases in the Consumer Price Index**.

\* \* \* \*

**1011.71 District school tax.—**

\* \* \* \*

(2) In addition to the maximum millage levy as provided in subsection (1), each school board may levy not more than 1.5 mills against the taxable value for school purposes for district schools, including charter schools at the discretion of the school board, to fund:

(a) New construction and remodeling projects, as set forth in s. 1013.64(3)(b) and (6)(b) and included in the district's educational plant survey pursuant to s. 1013.31, without regard to prioritization, sites and site improvement or expansion to new sites, existing sites, auxiliary facilities, athletic facilities, or ancillary facilities.

(b) Maintenance, renovation, and repair of existing school plants or of leased facilities to correct deficiencies pursuant to s. 1013.15(2).

(c) The purchase, lease-purchase, or lease of school buses.

(d) The purchase, lease-purchase, or lease of new and replacement equipment; computer hardware, including electronic hardware and other hardware devices necessary for gaining access to or enhancing the use of electronic content and resources or to facilitate the access to and the use of a school district's digital classrooms plan pursuant to s. 1011.62, excluding software other than the operating system necessary to operate the hardware or device; and enterprise resource software applications that are classified as capital assets in accordance with definitions of the Governmental Accounting Standards Board, have a useful life of at least 5 years, and are used to support districtwide administration or state-mandated reporting requirements.

(e) Payments for educational facilities and sites due under a lease-purchase agreement entered into by a district school board pursuant to s. 1003.02(1)(f) or s. 1013.15(2), not exceeding, in the aggregate, an amount equal to three-fourths of the proceeds from the millage levied by a district school board pursuant to this subsection. The three-fourths limit is waived for lease-purchase agreements entered into before June 30, 2009, by a district school board pursuant to this paragraph.

(f) Payment of loans approved pursuant to ss. 1011.14 and 1011.15.

(g) Payment of costs directly related to complying with state and federal environmental statutes, rules, and regulations governing school facilities.

(h) Payment of costs of leasing relocatable educational facilities, of renting or leasing educational facilities and sites pursuant to s. 1013.15(2), or of renting or leasing buildings or space within existing buildings pursuant to s. 1013.15(4).

(i) Payment of the cost of school buses when a school district contracts with a private entity to provide student transportation services if the district meets the requirements of this paragraph.

1. The district's contract must require that the private entity purchase, lease-purchase, or lease, and operate and maintain, one or more school buses of a specific type and size that meet the requirements of s. 1006.25.

2. Each such school bus must be used for the daily transportation of public school students in the manner required by the school district.



3. Annual payment for each such school bus may not exceed 10 percent of the purchase price of the state pool bid.

4. The proposed expenditure of the funds for this purpose must have been included in the district school board's notice of proposed tax for school capital outlay as provided in s. 200.065(10).

(j) Payment of the cost of the opening day collection for the library media center of a new school.

\* \* \*

(5) Effective July 1, 2008, a school district may expend, subject to the provisions of s. 200.065, up to \$100 per unweighted full-time equivalent student from the revenue generated by the millage levy authorized by subsection (2) to fund, in addition to expenditures authorized in paragraphs (2)(a)-(j), expenses for the following:

(a) The purchase, lease-purchase, or lease of driver's education vehicles; motor vehicles used for the maintenance or operation of plants and equipment; security vehicles; or vehicles used in storing or distributing materials and equipment.

(b) Payment of the cost of premiums, as defined in s. 627.403, for property and casualty insurance necessary to insure school district educational and ancillary plants. As used in this paragraph, casualty insurance has the same meaning as in s. 624.605(1)(d), (f), (g), (h), and (m). Operating revenues that are made available through the payment of property and casualty insurance premiums from revenues generated under this subsection may be expended only for nonrecurring operational expenditures of the school district.

\* \* \* \*

II. Additional concepts for consideration in the event the School Board determines to allocate a portion of its 1.5 mill described in section 1011.71(2), Florida Statutes, to its charter schools:

1. Documentation/accountability that funds only used for statutorily allowed items as the penalty for violation of expenditure requirements is an equal dollar reduction in the Florida Education Finance Program (FEFP) funds in the following year.
2. In the event new construction is contemplated, whether the construction will comply with State Requirements for Educational Facilities (SREF) or some other building standard.
3. In the event a charter terminates, whether the School Board has the right/ability to use the asset procured with the funds for a term of years or permanently.
4. Whether the charter schools will use vendors already under continuing bid/contract with the School Board.

Depending upon the charter school proposal and the type of capital funds allocated to the charter school, there may be other considerations.