

THE FLORIDA DEPARTMENT OF EDUCATION
CHARTER SCHOOL APPEAL COMMISSION

Technical Assistance Paper

APPEAL OF: IMAGINE-PALM BEACH COUNTY, LLC.
CHARTER APPLICATION DENIAL

APPELLANT: IMAGINE-PALM BEACH COUNTY, LLC.

SCHOOL BOARD: THE SCHOOL BOARD OF PALM BEACH COUNTY, FLORIDA

DISCLAIMER: THIS TAP IS INTENDED TO PROVIDE A BRIEF SUMMARY OF THE SCHOOL DISTRICT'S REASONS FOR DENYING THE CHARTER SCHOOL APPLICATION AND THE PARTIES' POSITIONS REGARDING SUCH REASONS. THIS TAP DOES NOT REPLACE OR SUPERSEDE THE RECORD ON APPEAL. TO THE EXTENT INCONSISTENT, THE RECORD ON APPEAL SHALL GOVERN. INTERESTED PERSONS SHOULD READ THE FULL RECORD ON APPEAL.

Appeal of Imagine-Palm Beach

History

1. June 1, 2007 – Imagine Schools submitted its Letter of Intent indicating it would be applying to open a charter school in Palm Beach County during the 2008-2009 school year.
2. August 1, 2007 – Imagine Schools submitted the Application to the School District for a charter school to open in the 2008-2009 school year.
3. August 31, 2007 – Imagine Schools received notice from the Director of the school district's Department of Charter Schools of an Applicant Interview.
4. September 7, 2007 – Imagine Schools' representatives attended the Applicant Interview.
5. September 7, 2007 – Imagine Schools was asked to sign a waiver of the 60-day statutory timeframe in which the school district was required to approve or deny the application. Imagine Schools consented to the waiver.
6. October 23, 2007 – Imagine Schools' representatives met with the Director of the school district's Department of Charter Schools and a specialist in the district's Department of Charter Schools, provided with a copy of the final evaluation instrument, and advised that the district staff would recommend denial of the application at the School Board workshop to be held November 13, 2007.
7. October 23, 2007 – Imagine Schools was given a letter from the district and required to indicate whether they intended to proceed with the application or voluntarily withdraw.
8. November 6, 2007 – Imagine Schools was advised that the date of November 13, 2007, School Board workshop was changed to November 14, 2007.
9. November 14, 2007 – The School Board voted to deny the application at the workshop.
10. November 28, 2007 – The Notice of Denial was sent to Imagine Schools via facsimile.
11. December 28, 2007 – Imagine Schools filed a Notice of Appeal with the State Board of Education with a copy to the School District of Palm Beach County.

ISSUE ONE

WHETHER THE SCHOOL BOARD’S DENIAL OF THE CHARTER APPLICATION FOR FAILURE TO ADEQUATELY ADDRESS STUDENT PERFORMANCE, ASSESSMENT AND EVALUATION, SPECIFICALLY BASED ON (1) PROVISION OF “OBJECTIVES” INSTEAD OF “GOALS;” AND (2) OMISSION OF A DOCUMENT THAT WAS REFERENCED IN THE APPLICATION, WAS SUPPORTED BY COMPETENT AND SUBSTANTIAL EVIDENCE AND WAS A VALID STATUTORY BASIS FOR DENIAL OF THE CHARTER APPLICATION.

- The Applicant states the School Board’s denial of the Application for an alleged failure to adequately address student performance, assessment and evaluation was not supported by competent and substantial evidence in the record to support a denial. The School District staff specifically stated during the Applicant Interview that this section of the Application would be found to be “met.” Therefore there was no good cause to support denial of the Application on this basis.

Section 5 of the Application contains a clear and statutorily sufficient explanation of the Charter School’s educational goals and objectives, performance assessments, collection and use of baseline achievement data, and the use and sharing of student assessment and performance data. The Applicant contains measurable objectives to meet the educational goals for the Charter School. For example there are specific objectives related to the lowest performing students in reading and mathematics in Grade 3 and above that are clearly related to an overall goal of improved performance for these students.

School District staff referenced Section 5 briefly during the Applicant Interview, and Ms. Edwards indicated that the comment relating the use of the terms “goals” versus “objectives” was merely a recommendation.

This Section was still rated as “partially met” in the Final Evaluation. The rating of this section in the Final Evaluation is inconsistent with the contents of the Application as well as comments by Ms. Edwards during the Applicant Interview. Moreover, denial of the Application because the terms “goals” was not actually used is not substantive, good cause basis for denial nor is it consistent with the intent of the Charter Statute.

- The School District did not discuss the issue of whether the school’s application adequately addressed student performance, assessment and evaluation.

The pertinent Florida Statutes on this issue read as follows:

Section 1002.33(6)(a)

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

(a) A person or entity wishing to open a charter school shall prepare an application that:

1. Demonstrates how the school will use the guiding principles and meet the statutorily defined purpose of a charter school.
2. Provides a detailed curriculum plan that illustrates how students will be provided services to attain the Sunshine State Standards.
3. Contains goals and objectives for improving student learning and measuring that improvement. These goals and objectives must indicate how much academic improvement students are expected to show each year, how success will be evaluated, and the specific results to be attained through instruction.
4. Describes the reading curriculum and differentiated strategies that will be used for students reading at grade level or higher and a separate curriculum and strategies for students who are reading below grade level. A sponsor shall deny a charter if the school does not propose a reading curriculum that is consistent with effective teaching strategies that are grounded in scientifically based reading research.
5. Contains an annual financial plan for each year requested by the charter for operation of the school for up to 5 years. This plan must contain anticipated fund balances based on revenue projections, a spending plan based on projected revenues and expenses, and a description of controls that will safeguard finances and projected enrollment trends.

ISSUE TWO

WHETHER THE SCHOOL BOARD'S DENIAL OF THE CHARTER APPLICATION FOR FAILURE TO ADEQUATELY ADDRESS GOVERNANCE AND SCHOOL MANAGEMENT, SPECIFICALLY RELATED TO THE ROLE OF THE PARENT COMPANY, WAS SUPPORTED BY COMPETENT AND SUBSTANTIAL EVIDENCE.

- The Applicant states there was not competent substantial evidence to support the School Board's denial of the management of the Charter School. The Charter School's governance is specifically addressed in Section 10 of the Application. This Section of the Application contains a clear and rational outline of responsibilities of the Governing Board of the Charter School, parent company, Principal and other Charter School staff. The Application clearly describes the overall governance and management of the of the Charter School, namely that the Governing Board will be responsible for all policy-level decisions and is accountable to the School Board, and that the Principal is responsible for the day-to-day management of the Charter School. The applicant also specifically addresses the role of ISNP as a resource to the Charter School for educational,

assessment, employment, development, financing, legal, and other issues, and this role was also discussed during the Applicant Interview.

As indicated in the Initial Evaluation comments, there is an organizational chart shown on the shown on page 60 of the Application in response to the application requesting an organizational chart for the school and narrative description in the Application. It was not included on the organizational chart because it is Imagine-Palm Beach and the Governing Board of the Charter School, that will be signing a charter contract and be accountable to the School Board.

The district requested the following information regarding the conflict of interest of board members serving on the board and hired by the "Imagine Company." As explained during the Applicant Interview, and according to Florida statutes, as the sole member of Imagine-Palm Beach, the interests of ISNP and Imagine-Palm Beach are aligned. In addition, the employment of any Governing Board members by ISNP or any affiliated companies would be fully disclosed, and, in fact, as seen as an asset to other Governing Board members, so participation on the Governing Board by such employees would not constitute a conflict of interest. Imagine School representatives specifically stated that they would work with the School District to allay any of its concerns regarding a conflict of interest by Governing Board members who were employed by ISNP or any of its affiliates.

- The District states the evaluation criteria notes that a response that meets the standard will present: (1) a persuasive explanation of the reasons for contracting with the education service provider; (2) a persuasive explanation that the proposed relationship with the ESP will further the school's mission and program; (3) a clear delineation of the roles and responsibilities between the school's governing board and the ESP; (4) a clear description of the services to be provided by the ESP; and (5) a clearly defined performance based relationship between the school's governing board and the ESP.

The applicant's response was deceptive with respect to an ESP. The applicant's response to every question in this section was "non-applicable" because the applicant contends that it will not engage the service of an ESP. The application defines an ESP as an organization that contracts with the governing board of a school to provide comprehensive services. The operating agreement between the LLC and ISNP and the letter of understanding between these two entities clearly demonstrate that the services provided by ISNP are the same services provided by and ESP, thus ISNP actually would function as an ESP to the LLC.

Under the articles of organization for the LLC, ISNP is the single member of the LLC, and under the terms of the operating agreement, only the sole member (namely ISNP) will have the sole right to appoint individuals to the Board of Managers and subsequently fill vacancies that become open. It is difficult to imagine how there could be a clear delineation between the governing board and ESP when, the functional equivalent of an ESP has the power to appoint the governing board.

The pertinent Florida Statutes on this issue read as follows:

Section 1002.33(6)(a)

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

(a) A person or entity wishing to open a charter school shall prepare an application that:

1. Demonstrates how the school will use the guiding principles and meet the statutorily defined purpose of a charter school.
2. Provides a detailed curriculum plan that illustrates how students will be provided services to attain the Sunshine State Standards.
3. Contains goals and objectives for improving student learning and measuring that improvement. These goals and objectives must indicate how much academic improvement students are expected to show each year, how success will be evaluated, and the specific results to be attained through instruction.
4. Describes the reading curriculum and differentiated strategies that will be used for students reading at grade level or higher and a separate curriculum and strategies for students who are reading below grade level. A sponsor shall deny a charter if the school does not propose a reading curriculum that is consistent with effective teaching strategies that are grounded in scientifically based reading research.
5. Contains an annual financial plan for each year requested by the charter for operation of the school for up to 5 years. This plan must contain anticipated fund balances based on revenue projections, a spending plan based on projected revenues and expenses, and a description of controls that will safeguard finances and projected enrollment trends.

1002.33(7)(a)15

(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 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:

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).

ISSUE THREE

WHETHER THE SCHOOL BOARD’S DENIAL OF THE CHARTER APPLICATION FOR FAILURE TO ADDRESS THE ROLE OF AN EDUCATIONAL SERVICE PROVIDER, SPECIFICALLY BASED ON (1) THE TAX EXEMPT STATUS OF THE SCHOOL; AND (2) THE ROLE OF THE PARENT COMPANY, WAS SUPPORTED BY COMPETENT AND SUBSTANTIAL EVIDENCE AND WAS, IN PART, A VAILID STATUTORY BASIS FOR DENIAL.

- Although tax exempt status pursuant to Section 501(c)(3) of the federal Internal Revenue Code is not explicitly required by the Charter Statute or in this Section of the Application, Imagine Schools representatives indicated that ISNP has a pending application for tax exempt status pursuant to Section 501(c)(3) of the Internal Revenue Code. Florida Statute § 1002.33(12)(i)(2007). As a limited liability company with a sole member, Imagine-Palm Beach County will derive its tax exempt status from ISNP and will not be taxed as a separate entity by the Internal Revenue Service or the State of Florida. U.S. Treasury Regulation §301.7701-3(b)(1); Florida Statute §608.471(3). Therefore, there is no competent substantial evidence in the record to support denial on this basis nor is this a valid statutory basis for denial.

With respect to the claim in the Initial and Final Evaluations that ISNP constitutes an ESP, Imagine Schools responded that the ESP Section was not applicable to Imagine Schools because ISNP is the parent company of Imagine-Palm Beach, not an ESP or a company that the Charter School would choose to contract with separately to provide services to the Charter School. The management company of the Charter School will be vested in the Governing Board and day-to-day operation of the Charter School would be the responsibility of the Principal. The evidence in the record supports a conclusion that payment by the Charter School for services rendered by ISNP is more analogous to payments services rendered among related corporations. For this reason, Imagine Schools indicated in this Section that it would not be hiring and ESP. However, due to the type of support that ISNP provides to schools with which it is affiliated, additional information was provided in this Section, as well as other Sections of the Application, regarding ISNP, its abilities, the qualifications of its top management, and the financial and academic performance of several of the affiliated Imagine schools in the South Florida region, including the Lantana Charter School.

- The district states that the Appellant’s response to this section of the application stated that the school will be “organized and operated as an LLC non-profit corporation under the laws of the State of Florida. The LLC is NOT a non-profit corporation under the laws of the State of Florida as is indicated through its articles of organization. It is a for-profit LLC. The application also stated that the

LLC will derive its tax exempt status from ISNP, which was/is asking 501(c)(3) status. However, at the time of this application and at the time the District denied the application, neither entity had been designated as such. As stated above, Florida law clearly states that a charter school must be organized as or be operated by a nonprofit organization. The LLC does not meet this statutory requirement and as shown on the face of the application, ISNP is not a co-applicant nor is it a Florida entity. Thus the District had good cause in denying the application on the basis as there was no proper documentation of proper legal structure of the governing board.

The principal of the school, according to the response provided will be overseen by ISNP's regional vice president, not the governing board of LLC. Thus ISNP should have been included in the flow chart because of its integral role in the management and operation of the school. Such omission of the substantive role of ISNP in the LLC's operation of the school violates the statement of assurances, which certifies that the information in the application is true to the best of the signatory's knowledge. Thus, the response provided does not present an honest, clear delineation of the roles and responsibilities in relation to the governance and school management.

It is the District's contention that ISNP would have inappropriate amount of control over the school under the responses provided in the application. Therefore the structure of the school would be improper and as such, the District had good cause to deny the application based on competent and substantial evidence.

The pertinent Florida Statutes on this issue read as follows:

Section 1002.33(6)(a)

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

(a) A person or entity wishing to open a charter school shall prepare an application that:

1. Demonstrates how the school will use the guiding principles and meet the statutorily defined purpose of a charter school.
2. Provides a detailed curriculum plan that illustrates how students will be provided services to attain the Sunshine State Standards.
3. Contains goals and objectives for improving student learning and measuring that improvement. These goals and objectives must indicate how much academic improvement students are expected to show each year, how success will be evaluated, and the specific results to be attained through instruction.

4. Describes the reading curriculum and differentiated strategies that will be used for students reading at grade level or higher and a separate curriculum and strategies for students who are reading below grade level. A sponsor shall deny a charter if the school does not propose a reading curriculum that is consistent with effective teaching strategies that are grounded in scientifically based reading research.

5. Contains an annual financial plan for each year requested by the charter for operation of the school for up to 5 years. This plan must contain anticipated fund balances based on revenue projections, a spending plan based on projected revenues and expenses, and a description of controls that will safeguard finances and projected enrollment trends.

ISSUE FOUR

WHETHER THE SCHOOL BOARD’S DENIAL OF THE CHARTER APPLICATION BASED ON STUDENT RECRUITMENT, SPECIFICALLY FOR FAILURE TO ADDRESS THE CONSEQUENCES OF INCOMPLETE PARENT VOLUNTEER HOURS, WAS SUPPORTED BY COMPETENT AND SUBSTANTIAL EVIDENCE AND WAS A VALID STATUTORY BASIS FOR DENIAL OF THE CHARTER APPLICATION.

- The applicant states that Student recruitment and enrollment were specifically addressed in Section 15 of the Application. The application form, states that this section must contain a student recruitment plan that will enable the school to attract its targeted population and an enrollment and admissions process that is open, fair and in accordance with applicable law. The School District reviewer for this Section, stated that the Section contained “[n]o explanation of what consequences could happen if parents cannot complete volunteer hours.” The Application discusses parent volunteer hours and states that parents sign a commitment to complete volunteer hours. During the Applicant Interview, Imagine Schools representatives, including a parent of a student from the existing Lantana Charter School, specifically explained that a wide variety of volunteer activities are available for parents, from manual labor to administrative tasks. The Charter School would not be adversely impacted if some parents were unable to complete their volunteer hours, and that no child would be removed from the School or be penalized in any way due to a parental failure to complete volunteer hours. The explanation of the use of governance of volunteer hours at the Charter School in both the Application and the Applicant Interview evidences a process that is fair and will allow the school to attract its targeted population.
- In its Response, the school district did not discuss the issue of whether the school’s application adequately addressed student recruitment.

The pertinent Florida Statutes on this issue read as follows:

Section 1002.33(6)(a)

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

(a) A person or entity wishing to open a charter school shall prepare an application that:

1. Demonstrates how the school will use the guiding principles and meet the statutorily defined purpose of a charter school.
2. Provides a detailed curriculum plan that illustrates how students will be provided services to attain the Sunshine State Standards.
3. Contains goals and objectives for improving student learning and measuring that improvement. These goals and objectives must indicate how much academic improvement students are expected to show each year, how success will be evaluated, and the specific results to be attained through instruction.
4. Describes the reading curriculum and differentiated strategies that will be used for students reading at grade level or higher and a separate curriculum and strategies for students who are reading below grade level. A sponsor shall deny a charter if the school does not propose a reading curriculum that is consistent with effective teaching strategies that are grounded in scientifically based reading research.
5. Contains an annual financial plan for each year requested by the charter for operation of the school for up to 5 years. This plan must contain anticipated fund balances based on revenue projections, a spending plan based on projected revenues and expenses, and a description of controls that will safeguard finances and projected enrollment trends.

ISSUE FIVE

WHETHER THE SCHOOL BOARD'S DENIAL OF THE CHARTER APPLICATION FOR FAILURE TO ADEQUATELY ADDRESS THE SCHOOL'S BUDGET, BASED SPECIFICALLY ON HIGH START UP AND OTHER COSTS, WAS SUPPORTED BY COMPETENT AND SUBSTANTIAL EVIDENCE AND WAS A VALID STATUTORY BASIS FOR DENIAL OF THE CHARTER APPLICATION.

- The Charter School's Budget is specifically addressed in Section 19 of the Application. The evaluation criteria listed for this Section, as contained in the application form, require that this Section contain budgetary projections which are

consistent with all parts of the Application, and a realistic assessment of the projected sources of revenue and expenses that ensure the financial viability of the Charter School. The Application contains this required information showing a balanced, financially feasible budget and is statutorily sufficient.

The comments in the Initial and Final Evaluations take issue with the level of start-up and other costs for the Charter School, statements that the start-up and other costs “seem excessive,” without further support, are mere conjecture and cannot constitute competent and substantial evidence in the record. There is no evidence in the record that the \$250,000 in potential start-up costs would be too high and result in a charter school that is not financially viable. The breakdown of the start-up costs is detailed in the Application and was also discussed at the Applicant Interview. The estimated \$250,000 for start-up costs is also based on the historic direct start up costs for other Imagine charter schools. The start-up costs will be advanced by ISNP and paid back in \$30,000 payments.

As for other costs referenced in the Initial and Final Evaluation comments, the \$978,735 in “total board costs” is made up primarily of \$965,000 in lease costs for the Charter School facility. Lease costs were estimated based on the lease rates for the type and size of facility needed for the Charter School. The “indirect costs” referenced in the Initial and Final Evaluation comments are for services provided to the Charter School by INSP. Board costs of \$10,000 are included in the budget for any travel or training costs incurred by the Governing Board.

The district states that there are start-up costs that would not be reimbursed through start-up grants. However, the pro forma demonstrates that the Charter School could afford to pay for the start-up costs. The start-up funds related to the Charter School Principal and other personnel that would not be reimbursed through a start-up grant are critical to the Charter School’s success.

The district made the comment that the Initial and Final Evaluations also reference lack of a contract for furniture, fixtures and equipment (“FF&E”).

There is no requirement in the charter statute nor is it reasonable to expect a charter school applicant to have secured FF&E at the time of the charter application. The application contains an estimate for FF&E and a financially feasible pro forma.

- With respect to budget, the application did not account fully for the two hundred fifty thousand debt that it would owe to ISNP over the five-year term of the contract. The applicant states that this debt would be repaid in thirty thousand increments, which over a five year period (the term of the contract) would still leave a one hundred thousand dollar balance at the end of the period. The operating agreement calls for the LLC to pay to ISNP twelve (12%) of the per-pupil funding provided by state and local governments during each fiscal year payable monthly in amount equal to one-twelfth (1/12th) of the annual budgeted amount. This represents \$411,043 for the first year. This leaves eighty-three percent of pupil funding from local taxes to be applied to students. These facts, coupled with the fact that ISNP has no relationship with the District as it is not a co-applicant present competent and substantial evidence to deny the application.

The pertinent Florida Statutes on this issue read as follows:

Section 1002.33(6)(a)

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

(a) A person or entity wishing to open a charter school shall prepare an application that:

5. Contains an annual financial plan for each year requested by the charter for operation of the school for up to 5 years. This plan must contain anticipated fund balances based on revenue projections, a spending plan based on projected revenues and expenses, and a description of controls that will safeguard finances and projected enrollment trends.

Section 1002.33(6)(b)2

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

(b) 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.

ISSUE SIX

WHETHER THE SCHOOL BOARD’S DENIAL OF THE CHARTER APPLICATION FOR FAILURE TO ADDRESS FINANCIAL MANAGEMENT AND OVERSIGHT, SPECIFICALLY BASED ON THE ROLE OF THE SCHOOL’S GOVERNING BOARD AND THE RELATIONSHIP OF THE SCHOOL WITH ITS PARENT COMPANY, WAS SUPPORTED BY COMPETENT AND SUBSTANTIAL EVIDENCE.

- The Charter School states comments, particularly those regarding what the Governing Board would “probably” do are mere conjecture, and are contrary to the evidence of the record. Thus, they cannot constitute competent and substantial evidence in the record. Thus, they cannot constitute competent and substantial evidence or form a good cause for denial of the Application. In both the Application and the Applicant Interview, Imagine Schools representatives stressed that the Governing Board of the Charter School would be responsible for the policy and management of the Charter School and would be accountable to the School Board. Explanation was also provided about the ways that the Governing Board would be kept apprised of the Charter School’s operations and

that it has the responsibility for making key policy decisions. There was also extensive discussion in the Application and at the Applicant Interview regarding the relationship between Imagine-Palm Beach and ISNP and that this relationship does not constitute a conflict of interest nor violate Florida Statutes. There is absolutely no evidence in the record that the Governing Board of the Charter School would be prevented from overseeing the financial wellbeing of the Charter School or that the relationship with ISNP would be detrimental to the Charter School's operation.

- The district states that the State Board of Education model application addresses statutory requirements in section 20 entitled Financial Management. This section, according to the application evaluation instrument, should describe how the school's finances will be managed and who will be responsible for the protection of student and financial records. The applicant's response to questions in this section presented problems for District evaluator, Jeannette Merced, mainly because of the dependent nature of the relationship between ISNP and the LLC. Specifically, Ms. Merced noted that the management of the school relies on a management company, ISNP, and not with the governing board. This assertion is true, given that the operating agreement between ISNP and the LLC grants authority over mostly all substantive decisions regarding the governing board, principal selection, officers of the LLC to ISNP. The applicant stated that the overall financial oversight is provided by the Governing Board, and that the preparation and monitoring of the annual budget is the responsibility of the principal, with the involvement of the school business manager, teachers, other staff, and ISNP advice and leadership. The operating agreement between ISNP and LLC grants broad powers over the LLC to ISNP, namely the sole authority to appoint members of the board of managers of the LLC/school and authority over personnel, including the principal. There can be no segregation of assurances of how money is well used/spent when those responsible, i.e. principal and board of managers of the LLC are appointed/approved/hired by ISNP, who is not a party to the application and therefore have no obligation to the District's statutory mandate of financial oversight of charter schools.

The pertinent Florida Statutes on this issue read as follows:

Section 1002.33(6)(a)

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

(a) A person or entity wishing to open a charter school shall prepare an application that:

5. Contains an annual financial plan for each year requested by the charter for operation of the school for up to 5 years. This plan must contain anticipated fund balances based on revenue projections, a spending plan based on projected

revenues and expenses, and a description of controls that will safeguard finances and projected enrollment trends.

Section 1002.33(6)(b)2

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

(b) 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.