

Education
Mercedes Toural, Associate Superintendent

SUBJECT: REQUEST FOR APPROVAL OF AN ECONOMY OF SCALE MODEL FOR FUTURE CHARTER SCHOOLS REQUESTING A REDUCTION OF THE 5% STATUTORILY-PERMITTED ADMINISTRATIVE FEE

Pursuant to Section 228.056 (14)(e) Florida Statutes, the School District may impose a maximum 5% administrative fee to charter schools for certain administrative and educational services that minimally include: contract management services, FTE and data reporting, exceptional student education administration, test administration, processing of teacher certificate data, and information services. In addition, the District also monitors all charter schools to ensure full compliance with statutory and contractual requirements.

To date, nine charter school applications, submitted by the United Teachers of Dade/Edison have been approved for a 4% reduction in the statutorily approved administrative fee. Each of these schools will serve up to 1,600 students. An additional application, submitted by the City of Aventura, was approved for a reduction of 2%. This school will serve a maximum of 600 students. Both reductions were approved contingent on the applicants complying with the series of conditions outlined below.

Given the possibility that future applicants may also request a reduction in the administrative fee, the School Board requested that staff develop measures which can be equitably applied and that are in the best interest of the District. Recognizing that charter schools can assist the District in relieving over-crowding, a proposed economy of scale model based on the number of students actually attending the charter school, would be applied as follows:

1. a reduction of 4% for schools with 1,500 or more students;
2. a reduction of 3% for schools with 1,000 and 1,499 students; and
3. a reduction of 2% for schools with 500 and 999 students.

The proposed economy of scale model may be applied in exchange for compliance with all of the following conditions:

1. The charter schools will not use the credit rating of the District or its tax-exempt status to finance the new schools (i.e., the District will not be the issuer of the securities);
2. The charter school facilities will be newly constructed or renovated and not third party leases;

3. The charter schools will open in areas designated by the District as being overcrowded. The District will agree to the locations where the charter school facilities will open;
4. The District will have the right of first refusal to acquire the school properties in the event of default or breach of the charter school contractual agreement; and
5. The schools will be built in accordance with State Requirements for Educational Facilities (SREF), the Florida Building Code, including Section 423, and the Florida Fire Prevention Code.

Realizing the difficulty in achieving full capacity within the first years of operation, charter schools which satisfy all of the above conditions will have their administrative fee reductions each year based upon the economy of scale model and the Weighted Full Time Equivalency (WFTE) students in attendance each year.

For purposes of determining the percentage reduction of the management fee to which an eligible charter school is entitled, the number of WFTE students actually attending shall be the average WFTE students in the official October and February survey periods.

RECOMMENDED: That The School Board of Miami-Dade County, Florida, approve an economy of scale model for future charter schools requesting a reduction of the 5% statutorily-permitted administrative fee in exchange for compliance with the five required conditions and stated levels of capacity as reflected below:

1. a reduction of 4% for schools with 1,500 or more students;
2. a reduction of 3% for schools with 1,000 and 1,499 students; and
3. a reduction of 2% for schools with 500 and 999 students.

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