

School Operations
Dr. John D. Pace, Chief Operating Officer

SUBJECT: REQUEST SCHOOL BOARD APPROVAL OF SEVEN SCHOOL OF HOPE PERFORMANCE BASED AGREEMENTS WITH MATER ACADEMY, INC.

COMMITTEE: PERSONNEL, STUDENT, SCHOOL AND COMMUNITY SUPPORT

LINK TO STRATEGIC BLUEPRINT: RELEVANT, RIGOROUS AND INNOVATIVE ACADEMICS

AUTHORITY AND SCOPE

Schools of Hope and the Schools of Hope Program are authorized by section 1002.333, F.S. This law was first enacted in 2017, and it requires the State Board of Education to provide students in persistently low-performing schools and students residing in Florida Opportunity Zones with a public school that meets accountability standards. To do so, the State Board of Education designates *Hope Operators*, which are eligible to open charter schools called *Schools of Hope*, outside of the regular process that applies to the establishment of all other charter schools pursuant to section 1002.33, F.S. A *Hope Operator* is a non-profit organization with tax exempt status under section 501(C)(3) of the Internal Revenue Code that operates three (3) or more public charter schools serving students in grades K-12 in Florida or other states with a proven record of serving students from low-income families and which meets other criteria. Currently, there are five designated Hope Operators in Florida: *Mater Academy*, *Democracy Prep Public Schools, Inc.*, *IDEA Public Schools*, *KIPP New Jersey*, and *Somerset Academy, Inc.* At the current time, only KIPP New Jersey operates Schools of Hope in Miami-Dade County.

A *Hope Operator* may establish a School of Hope (with multiple campuses) and serve students from one or more persistently low-performing schools and students who reside in a Florida Opportunity Zone, pursuant to section 1002.333, F.S., in the attendance zone of a persistently low-performing school, or within a 5-mile radius of such school, whichever is greater; and is a Title I eligible school.

A *persistently low-performing* school is defined as a school that has earned three grades lower than a “C,” pursuant to section 1008.34, F.S., in at least 3 of the previous 5 years and has not earned a grade of “B” or higher in the most recent 2 school years, and/or a school that was closed pursuant to section 1008.33(4), F.S., within 2 years after the submission of a Notice of Intent (NOI).

A *Florida Opportunity Zone* means a population census tract that has been designated by the United States Department of the Treasury as a Qualified Opportunity Zone pursuant to section 1400Z-1(b)(1)(B) of the Internal Revenue Code. These Zones are economically-distressed communities where new investments, under certain conditions,

may be eligible for preferential tax treatment. These zones are designed to spur economic development and job creation in low-income communities.

PROCESS

Pursuant to State Board of Education Rule 6A-1.0998271, F.A.C., the FDOE has developed a standard School of Hope NOI form and School of Hope Performance-based Agreement (PBA) for Schools of Hope. A Hope Operator seeking to open a School of Hope must submit the completed NOI and PBA forms to the Superintendent of the school district in which the persistently low-performing school has been identified by the Florida Department of Education (FDOE) or Florida Opportunity Zone. (Note, irrespective of the opening school year of each SOH, the Hope Operator identifies a persistently low performing school(s) from the FDOE's latest accountability data at the time of submission of the NOI. Furthermore, pursuant to FDOE's Emergency Order No. 2020-EO-1, spring K-12 statewide assessment test administrations for the 2019-20 school year were canceled and accountability measures reliant on such data were not calculated for the 2019-20 school year. Additionally, in April 2020, the U.S. Department of Education provided a waiver for requirements related to certain assessments and accountability that are based on data from the 2019-20 school year. Therefore, the list of persistently low performing schools is based on 2019 Accountability data.) Upon receipt of a Notice of Intent from the Hope Operator, the District must enter into a PBA with the entity within sixty (60) days.

The School Board and Hope Operator may negotiate the terms of the standard form PBA adopted by the State Board of Education, and the State Board of Education must resolve disputes between a hope operator and a school district arising from a Performance-based Agreement. To effectuate a dispute resolution, the Commissioner of Education shall appoint a special magistrate to hold hearings to determine facts relating to the dispute and to render a recommended decision for resolution to the State Board of Education.¹

A school district that does not enter into a PBA within the 60-day timeframe, ***shall reduce the administrative fees withheld for charter school oversight and compliance pursuant to section 1002.33(20), F.S., to one (1) percent for all charter schools currently in operation in the District.*** Upon execution of the PBA, the District may resume withholding the full amount of administrative fees; but may not recover any fees that would have otherwise accrued during the period of noncompliance. Based on the total projected charter administrative fees retained for the 2021 fiscal year, non-compliance would result in a reduction of approximately \$22,191 daily or \$665,715 monthly in retained charter school administrative fees for the 139 schools in the District's

¹ Within 15 calendar days after the close of the final hearing, the special magistrate shall transmit a recommended decision to the State Board of Education and to the representatives of both parties by registered mail, return receipt requested. The State Board of Education must approve or reject the recommended decision at its next regularly scheduled meeting that is more than 7 calendar days and no more than 30 days after the date the recommended decision is transmitted. The decision by the State Board of Education is a final agency action that may be appealed to the District Court of Appeal, First District in accordance with section 120.68, F.S. A charter school may recover attorney fees and costs if the State Board of Education determines that the school district unlawfully implemented or otherwise impeded implementation of the performance-based agreement pursuant to this paragraph.

charter school portfolio. The length of the dispute resolution process is unspecified; therefore, the total fiscal impact is impossible to predict if the School Board fails to agree within 60 days to PBAs. A statutory penalty would pose a substantial financial risk to the District and potentially hinder the District in carrying out its duty to monitor all charter schools. Nevertheless, the District identified several areas of deficiency in the draft PBAs submitted by Mater Academy, Inc.

SUMMARY OF MATER NOI AND PBA

Historical Overview: Mater Academy, Inc., was approved by the State Board of Education as a Hope Operator on July 15, 2020. Mater Academy, Inc., currently operates 24 charter schools in Miami-Dade, serving students in grades K-12. Mater Academy, Inc., the non-profit, is educating more than 15,000 students in its charter schools. For the 2019 accountability school grades, 17 of their schools were graded “A”, 4 were graded “B” and 3 did not receive an accountability grade.

NOI and PBA: The District received a NOI and draft PBAs on February 22, 2021, from Mater Academy, Inc., and a Revised NOI on April 1, 2021 (Attachment A) to establish seven Schools of Hope. An overview of the seven (7) Performance-based Agreements. is highlighted in the Table 1 on the following page.

Table 1: PBA Provisions

Approved Hope Operator:		Mater Academy, Inc.							
Governing Board Members:		Christian Crousillat, Chairperson Shannie Sadesky, Vice-Chairperson Idalia Suarez, Secretary				Maurene Sotero, Director Maria Nunez, Director			
	Schools of Hope	PLP*	Opportunity* Zone	Impacted Region	Year 1 Grades	Year 1 Enrollment	Year 5 Grades	Year 5 Enrollment	Projected Opening
1	Mater Academy Hialeah Park	Earlington Heights Elem (1561) & Lorah Park Elem (3041)	N/A	Central	K-2, 6	750	K - 8	1,350	2023
2	Mater Academy @ Liberty Square		N/A	Central	K	50	K - 4	250	2023
3	Mater Academy Kiwanis		N/A	Central	K-3	500	K - 7	950	2022
4	Mater Academy Bethany		N/A	Central	K-2, 6-7	750	K - 11	2,000	2023
5	Mater Brickell Preparatory	Brownsville Middle (6031) & Madison Middle (6391)	N/A	Central	6, 9	750	6 - 12	1,500	2022
6	Mater East Preparatory		N/A	Central	6	374	6 - 8	1,060	2022
7	Mater Academy SOLE	N/A	12086000109; 12086000209; 12086000206	North	K,1	180	K - 5	540	2023
Total Projected Students:					3,354		7,650		
*Maps of persistently low performing schools and Opportunity Zones can be found in Attachment E.									
Highlighted Provisions of the PBA:		<ul style="list-style-type: none"> LEA Status: Pursuant to §1002.333(6)(a), the SOH Operator has requested to be designated as a local education agency (LEA), for the purposes of receiving federal funds (e.g., Title I, Title II, IDEA) and, in doing so, accepts the full responsibility for all LEA requirements and the schools for which it will perform local education agency responsibilities. Administrative Fee: The proposed PBAs indicate that the District may retain an administrative fee for the first year of operation for certain administrative and educational services to be provided to the SOH. [s. 1002.33(20)(a)] 							

DISTRICT FISCAL IMPACT

Any significant increase in charter school student enrollment (Charter FTE) directly impacts the District’s operating budget as well as instructional and non-instructional staffing levels. The PBAs being presented represents a potential increase in overall charter school enrollment or an anticipated initial loss to the District for the 2023 and 2024 fiscal years. The revenue and positions indicated as “Initial Year Loss” provide an estimate of the potential impact on the District’s General Fund (\$15,620,975) instructional staffing (152 positions), and non-instructional staffing (104 positions). The loss of revenue is based on 95% of FEFP funds per student and 75% of the initial year enrollment projection that the District will not realize for the current fiscal year. See Table 2.

Table 2: TOTAL INITIAL LOSS						
District Fiscal Impact	Initial Loss		Initial Loss - Human Capital			
	Total FEFP Revenue (\$)	Projected Charter FTE (#)	Instructional Positions		Non-Instructional Positions	Total Positions
			Core ¹	Non-Core ²		
SOHs – Projected Opening 2022-2023 SY (3)	\$7,542,846	1,219	57	19	50	126
SOHs – Projected Opening 2023-2024 SY (4)	\$8,078,129	1,299	61	15	54	130
TOTAL INITIAL LOSS:	15,620,975	2,518	118	34	104	256

¹ Core includes elementary education, language arts/reading, mathematics, science, and social science.

² Non-Core includes: electives and all other subject areas and programs.

DISPUTED ITEMS

At the conclusion of negotiations, statutory/legal disputes remained. For required provisions upon which the District and the Hope Operator could not agree, the PBAs recommended for adoption by this Item (**Attachment B**), revert back to the language of the State Board of Education standard PBA form. The District’s position on each disputed issue is contained in **Attachment C**. The Hope Operator’s position on each disputed issue is contained in **Attachment D**. A summary of the disputed provisions is as follows:

1. Section 1.J.1 - Student Performance Measures: A delineation of the current incoming baseline standard of student academic achievement, the outcomes to be achieved, and the method of measurement that will be used. [s.1002.333(5)(e)]
2. Section 1.G./NOI - Student Recruitment and Enrollment: A plan of action and specific milestones for student recruitment and the percent enrollment of students from persistently low-performing schools and students residing in a Florida Opportunity Zone. [s.1002.333(5)(d)]
3. Section 1.G./NOI - Organizational History: A demonstration of the organizational history of success in working with students with similar demographics. [s.1002.333(4)(a)(5)]

4. Section 1.E. - Location: A delineation for each school as to whether the school location would be within a five (5) mile radius of a PLP or a Florida Opportunity Zone.[1002.333(1)(d)(b)]
5. NOI - Financial Plan: A financial plan based on reasonable and realistic enrollment, revenues, and expenditures. [s. 1002.333(4)(a)2.]
6. Section P.15. (Attachment C) - Transfers/Advances, Grants, and/or Loans: Inappropriate application of transfers/advances, grants, and/or loans between SOH and traditional charter schools, operated by the same SOH operator. [1002.333(5)(g)]
7. Any additional matters delineated. (Attachment C, Section 1.A.; Attachment D, final sentence, p. 24; Attachments C and D, Section S.1.; additional Errors and Omissions in NOI).

DUE PROCESS

To ensure proper notice and due process, the Hope Operator was notified of the Superintendent's recommendation to the School Board and was provided a copy of the contract prior to the School Board Meeting. The Hope Operator was also informed of the School Board's Personnel, Student, School and Community Support Committee Meeting and procedures for requesting to appear before the School Board at meetings and public hearings.

Copies of the Revised NOI and PBAs can be accessed online at the links provided on page 7, under *Attachments*, and will be available for inspection by the public in the Office of Board Recording Secretary, Room 924, and in the Citizen Information Center, Room 158, 1450 N.E. Second Avenue, Miami, Florida 33132.

Board approval of this item does not reflect or constitute a finding of need, justification, or endorsement for any charter school as proposed in the item but only that a statutory requirement exists requiring Board approval of a School of Hope Performance-based Agreements to avoid incurring a daily monetary penalty under section 1002.333, F.S., State Board of Education Rule 6A-1.0998271, F.A.C., and School Board Policy, 9800, *Charter Schools*.

RECOMMENDED: That The School Board of Miami-Dade County, Florida:

- A. Approve the seven (7) School of Hope Performance-based Agreements, incorporated by reference in Attachment B for:
 1. Mater Academy Hialeah Park to serve Kindergarten through grade 8 for a maximum student enrollment of 1,350 students, commencing July 1, 2023 and ending June 30, 2028;
 2. Mater Academy @ Liberty Square to serve Kindergarten through grade 4 for a maximum student enrollment of 250 students, commencing July 1, 2023 and ending June 30, 2028;
 3. Mater Academy Kiwanis to serve Kindergarten through grade 7 for a maximum student enrollment of 950 students, commencing July 1, 2022 and ending June 30, 2027;
 4. Mater Academy Bethany to serve Kindergarten through grade 11 for a maximum student enrollment of 2,000 students, commencing July 1, 2023 and ending June 30, 2028;
 5. Mater Brickell Preparatory to serve grades 6 through 12 for a maximum student enrollment of 1,500 students, commencing July 1, 2022 and ending June 30, 2027;
 6. Mater East Preparatory to serve grades 6 through 8 for a maximum student enrollment of 1,060 students, commencing July 1, 2022 and ending June 30, 2027; and,
 7. Mater Academy SOLE to serve Kindergarten through grade 5 for a maximum student enrollment of 540 students, commencing July 1, 2023 and ending June 30, 2028; and

- B. Authorize the Superintendent of Schools, in collaboration with the School Board Attorney, to seek administrative dispute resolution as deemed appropriate pursuant to section 1002.333(11)(c), F.S. for any disputed statutory/legal issues summarized above; and

- C. Approve a Reduction-in-Force/Layoff as needed, only to the extent described in this item as Total Initial Loss, in accordance with School Board Policies and applicable collective bargaining agreements.

ATTACHMENTS

[Attachment A: Revised Notice of Intent \(4/1/21\) – Mater Academy, Inc.](#)

[Attachment B: Seven \(7\) School of Hope Performance-based Agreements recommended for approval](#)

[Attachment C: M-DCPS - Proposed Model School of Hope Performance-based Agreement for all seven \(7\) Mater Academy, Inc. Schools of Hope](#)

[Attachment D: Mater Academy - Proposed seven \(7\) School of Hope Performance-based Agreements](#)

[Attachment E: Maps of Targeted Persistently Low Performing Schools and Opportunity Zones](#)