

CITY COMMISSION
WORKSHOP MINUTES
CHARTER SCHOOLS

April 12, 2001

A **WORKSHOP** of the Winter Garden City Commission was convened at 7:57 p.m. after the regular City Commission meeting was adjourned.

PRESENT: Mayor Jack Quesinberry, Commissioners John Rees, Theo Graham, Mildred Dixon and John Harriman; City Manager Hollis Holden, City Attorney Dykes Everett, City Planner Mark Cechman, City Clerk Kathy Montoya and Finance Director Mike Bollhoefer

CHARTER SCHOOLS:

Mr. Reuven Oded with Konover Group, Boca Raton, Florida gave a recap of his previous presentation made on March 8, 2001 for the benefit of the new Commissioner. Mr. John Reinhart gave a recap of the current demand and need for schools in the area. Mr. Oded introduced Mr. Octavio Visiendo, Chairman of Chancellor Academies.

Commissioner Harriman asked about recent news reports that California is releasing Edison as a Charter School. Mr. Visiendo stated that there are 6 or 7 national providers, with Edison being the largest and in business for 13 years. The incident in San Francisco, California is based on information that Edison has not allowed the original student population to remain in the Charter school, but has replaced them with a different type of student. The California School Board has recommended they not renew the contract with Edison. In New York, Edison participated in a request for proposal and they were the only group selected and they had to get community support in order to do that. Interestingly, just last week the parents voted that Edison would not get the contract.

Mr. Visiendo stated that the largest risk for a municipality is not having students show up at the school. A City should be looking for a provider that will provide quality instruction, understands the public school system, is financially stable and knows how to recruit and retain students and excellent teachers. They (Chancellor Academies) have a proven record, even though they are a young company as evidenced by Pembroke Pines Elementary School that started as a 500 seat elementary and has grown to two 500 seat elementary schools with pre-k's, a middle school and a 1200 seat high school that just opened this year with 9th and 10th grades. The reason they only open with 9th and 10th grades is because no one wants to leave high school in the 11th and 12th grades. All their schools open on year one and close at 90% or above capacity. As a company, Chancellor has a wonderful mix of educators that owe a lot to public education. They are privately held and have E.M. Warburg Pincus & Co. as a financial partner. They partnership with public school and work for a professional fee. If there is a tremendous surplus at the end of year, it will go back into the school.

Commissioner Harriman asked how the Teacher's Union affects a Charter School? Mr. Visiendo stated that under the Charter, they have the option of either having private or union employees. All their schools have private employees and they offer the employees competitive salaries and a 401K retirement, with full health benefits. They would be employees of Chancellor and not a member of a labor union.

Commissioner Rees asked if employees would be participating in the State Retirement System and pay scales? Mr. Visiendo stated Chancellor is competitive with County schools, which varies from County to County. This last year, the legislature passed a law that will allow a defined benefits plan such as the Florida Retirement System, to roll over into a state approved 401K plan. That means that staff could go to Chancellor and continue their 401K retirement plan, which he believes will be effective July 1, 2001. Chancellor's teaching population has a mix of new and parochial teachers with substantial experience. They employee previous public school teachers with 6-7 years experience, who left the public school system because retirement vesting was too far down the road and they had large classrooms of 36-38 children. They are looking for quality of life within the classroom. They also have some teachers, who started very young and have their 30 years in, and at 51 they want to start a new career outside the traditional classroom, draw their retirement and a salary.

Commissioner Dixon asked who would monitor Chancellor? Mr. Visiendo stated the municipality would become the policy maker in the same manner the School Board does. There would be a performance contract between the County School Board and the City, because the County is charged with the responsibility of public education. There would also be an agreement between Konover Group, Chancellor and the City to specify tangible deliverable high standards placed by the City.

Mayor Quesinberry asked how there would be surplus funds with fewer students? Mr. Visiendo stated there would not have to be any additional revenue source. Chancellor has done things more efficiently thereby lowering the operating costs such as in the cafeteria operation. Also, the money follows the child, which is 95% of the FTE's. The model they will present will be a self-sustaining model.

City Attorney Everett asked what was Chancellor's experience with controlling the fact that any child can attend? Mr. Visiendo stated there are no boundaries because anyone in the County can attend, but their experience has been that attendance is governed by their recruitment and marketing practices. Travel is also a factor with approximately 90% of students living within a 2 to 2 ½ mile radius at the elementary level.

Commissioner Harriman asked if there are any extra expenses to the parents? Mr. Visiendo stated no, their programs are not charged any differently than the public schools. Mayor Quesinberry asked about buses. Mr. Visiendo stated busing depends on the population. They have provided buses elsewhere such as Pembroke Pines.

Commissioner Harriman asked if the school could be used for civic functions? Mr. Visiendo stated yes. Commissioner Rees asked if the teachers are certified? Mr. Visiendo stated they comply with the same standards as public schools.

City Attorney Everett asked who typically monitors the education management organization (EMO)? Mr. Visiendo stated Chancellor would have to score at a certain level, show student improvement, and have to maintain attendance standards. He suggested that the City do the monitoring or appoint an advisory committee, who would also look at the budgets.

City Attorney Everett asked what happens if Chancellor is decertified? Mr. Visiendo stated that because it would be a municipal charter, there would be choices that include; finding another provider, sub-contracting out to the school district to the school board until someone else is found or to call the property.

Commissioner Graham asked how much funding is there for each student? Mr. Visiendo stated it is approximately \$4,400 per FTE, with a capital portion which is \$824 for elementary, and \$1,000

for middle school, and just under \$1,300 at the high school level, which comes to approximately \$5,200 - \$5,300 a student.

City Attorney Everett stated that the City has public school impact fees and asked if any of the Charter Schools has seen an example of some of the risk of the municipality being laid-off constitutionally, on the overall development community? Are there any examples of effective risk sharing over and above that impact fee amount? Mr. Visiendo stated that he believes that there was a project fully paid by the CDD's of the developer. He will try to get the information and provide it to Mr. Everett. In Pembroke Pines, the City did not pledge any Ad-Valorem taxes, but pledged cable revenue. Mr. Oded stated that for each home built about \$2,800 in impact fees goes toward schools and the school board. There has been discussion about a City, with a Charter school, holding a portion of those fees into an escrow account that could be used as a credit enhancement. Commissioner Graham stated that when Charter schools prove just how efficiently they can run a school, he believes we will see more efficiency in the public local schools.

City Manager Holden stated the City is hosting an open workshop of all the developers in West Orange County this Friday, April 20, 2001, 2:30 p.m. at Tanner Hall to address development impact issues. Various agencies and representatives have been invited.

ADJOURNMENT: The workshop was adjourned at 9:00 p.m.