



Item: V.h.

Tuesday, August 15, 2023

SUBJECT: APPROVAL TO TERMINATE THE FAU-TREASURE COAST UNIVERSITY SCHOOLS CHARTER AND RELATED TRANSACTIONS

PROPOSED COMMITTEE ACTION

Recommend Board approval to (i) terminate the FAU-Treasure Coast University Schools, Inc (“TCUS”), charter and related agreements, (ii) transition operations of the Palm Pointe Educational Research School at Tradition (“Palm Pointe”) to the St. Lucie County School Board (“SLCSB”), (iii) dissolve TCUS, and (iv) delegate authority to the FAU President or designee to negotiate final agreements and take all actions reasonably necessary and appropriate to effectuate such matters.

BACKGROUND INFORMATION

Palm Pointe, located in St. Lucie County, was established in 2006 and serves students in grades K-8. It is a charter laboratory school sponsored by the FAU Board of Trustees in accordance with section 1002.32, F.S. By state statute, a charter school must be governed by a not-for-profit corporation under a charter with a sponsor. TCUS is the not-for-profit corporation that governs the Palm Pointe school. Dr. Joel Herbst, the Superintendent of Schools for the FAU School District, serves as CEO of the TCUS board.

The campus facilities of Palm Pointe are located on land owned by the SLCSB and were funded in part by Certificates of Participation (COPs) from the SLCSB and from a state appropriation to FAU. FAU has a ground lease from the SLCSB for its portion of the funded facility and has in turn subleased the land to TCUS for the school’s operations. The school is operated by the SLCSB through an agreement with TCUS.

The SLCSB, TCUS and FAU administration believe that it is in the best interests of all parties to transition Palm Pointe from being operated by TCUS as a developmental research charter school within the FAU School District to being operated as a non-charter, non-laboratory school within the SLCSB school district. The transition is proposed to become effective on July 1, 2024 (“Transition Date”). As a part of the transition, (i) FAU shall receive approximately 2.7 million dollars from the TCUS fund balance and other legally available funds in consideration for the termination of its ground leased interest in the SLCSB property and (ii) the SLCSB shall assume full and total responsibility for the ownership and management, including without limitation all debt, operating and capital expenses, of Palm Pointe effective July 1, 2024. After the transition, the TCUS entity will file for dissolution.

IMPLEMENTATION PLAN/DATE

The transactions are conditioned on SLCSB receiving appropriate consents related to their COPS and the approval of all applicable boards. If all consents, conditions and approvals are satisfied, the transition shall occur effective July 1, 2024.

FISCAL IMPLICATIONS

The fund balance transferred to FAU shall be used for the enhancement and growth of FAU's other preK-12 programs, including without limitation AD Henderson University School and FAU High School (on FAU's Boca Raton and Jupiter Campuses).

Supporting Documentation: N/A

Presented by: Dr. Joel Herbst, Asst. Dean & Superintendent of FAU Schools **Phone:** 561-297-6978