

**MEMORANDUM OF UNDERSTANDING REGARDING CHARTER SCHOOL  
OVERSIGHT AND OPERATIONS  
by and between  
CITY SCHOOL DISTRICT  
AND  
CHARTER SCHOOL**

This Memorandum of Understanding ("Agreement") is executed between the City School District (District) and Charter School (Charter School), operating under the District's oversight.

**I. RECITALS:**

- A. The City School District is a school district existing under the laws of the State of California.
- B. The Charter School is a nonprofit, public benefit corporation which is to be operated in accordance with state and federal laws and under the oversight of the District.
- C. The District is the authorizing agency of the Charter School. On June 25, 2014, the District conditionally approved a five (5) year term from July 1, 2014 to June 30, 2019. This Agreement is intended to outline the agreement of the Charter School and the District governing their respective fiscal and administrative responsibilities, their legal relationships and operation of Charter School. One of the conditions was execution of the Agreement.
- D. Written modifications of this Agreement may be made by mutual agreement as set forth below. This Agreement was approved by the board of trustees of the District on August 20, 2014 and by the governing board of Charter School on August 13, 2014 and shall be effective upon execution until terminated in accordance with this Agreement.
- E. The terms of this Agreement are intended by both parties to become part of the conditions, standards and procedures set forth in the Charter document. The parties agree that this Agreement is consistent with the conditionally approved Charter, as approved by the District board of trustees on June 25, 2014. If the parties discover any terms of this Agreement conflict with the terms of the Charter, this Agreement shall control the handling or resolution of the particular issue in question. To the extent that this Agreement is inconsistent with any of the terms of the Charter, both parties shall meet to amend the Agreement to reach consistency, if the inconsistency is material to the terms of the Charter. If the parties do not reach agreement regarding the consistency, the parties agree to follow the procedures for dispute resolution as stated in the Charter.

## II. AGREEMENTS

### A. Term

1. Along with the Charter, this Agreement will govern the relationship between the District and the Charter School.
2. Any modification of this Agreement must be in writing, executed by duly authorized representatives of both District and Charter School, ratified by the respective boards, and must indicate intent to modify or amend this Agreement.
3. The duly authorized representative of Charter School is the Vice President.
4. The duly authorized representative of the District is the Superintendent or any designee thereof. In order to ensure consistency in communications, all communication regarding any aspect of the operation of Charter School shall be initiated by the designated representative of Charter School with the superintendent of the District, unless the superintendent delegates this function to another employee of the District.
5. The term of this Agreement shall be coterminous with the operation of the Charter, including the current term and any renewal terms. This Agreement shall be effective upon board approval of the parties' respective governing boards and will remain in place until terminated in accordance with this Agreement. This entire Agreement is subject to approval by the respective governing boards of the District and Charter School.
6. This Agreement shall terminate automatically upon closure of Charter School for any reason, except as may be specified otherwise herein. "Closure" means that all legally required closure processes are completed, including completion of a final audit as required by law.
7. Failure to meet and comply with the terms of the Agreement shall constitute a material violation of the conditions, standards, or procedures set forth in the Charter within the meaning of Education Code section 47607(c)(1)(A). The procedures outlined in Education Code section 47607(d) shall apply to violations of the material terms of this agreement.

### B. State Funding under Local Control Funding Formula

1. The Charter School will be funded in accordance with the Local Control Funding Formula ("LCFF"). Charter School will receive base funding and may receive supplemental and concentration grants, if eligible. Charter School will be responsible for providing the California Department of Education ("CDE") with all data required for funding and will comply with all laws and regulations as developed by the Legislature and State Board of Education ("SBE") to implement LCFF. All information provided by Charter School shall be truthful and

accurate.

2. LCFF includes accountability requirements. Charter School is required to develop, adopt, and annually update a three-year Local Control and Accountability Plan ("LCAP"), beginning on July 1, 2015, using the SBE template approved for this purpose, with an annual update to be adopted each July 1 thereafter, in accordance with Education Code section 47606.5.
3. Charter School shall comply with the requirements of law in developing its LCAP including but not limited to:
  - a. Consultation with teachers, principals, administrators, other school personnel, parents and pupils;
  - b. Provide notice of the opportunity to submit written communication, consider stakeholder input, and approve in public meetings brought in conformity with the Brown Act;
  - c. Adopt LCAP concurrent with the Charter School's budget, submit to CDE and post on website.
4. Charter School shall comply with all accountability measures including the LCAP evaluation rubrics as may be revised by SBE from time to time, as well as the following:
  - a. SBE regulations including but not limited to all requirements "to increase and improve" services for targeted students.
  - b. Obtain parent and public input in developing, revising, and updating LCAPs.
  - c. Submit the LCAP to the District three weeks prior to submittal to county and/or state.
  - d. Cooperate and comply with all requirements of the State Superintendent of Public Instruction ("SPI") if and/or when Charter School fails to show improvement across multiple subgroups in three out of four consecutive years as determined by SPI.
  - e. Charter School shall ensure that all LCFF funds are spent in accordance with the requirements of the law.
5. Charter School shall comply with Common Core State Standards ("CCSS") requirements including but not limited to:
  - a. Timely preparation of budget plan required for expenditure of grant funds;
  - b. Expenditures of funds in compliance with law and with budget plan;
  - c. On or before July 1, 2015, provide the District and CDE a report detailing information including, but not limited to, specific purchases made and the number of teachers, administrators, or para-educators that received professional development;

- d. Any State assessment systems including but not limited to the California Assessment of Student Performance and Progress ("CAASPP") system.
6. Lottery funds – Charter School will be funded directly from the State through the District for their share of these funds. A portion of lottery funds must be spent on instruction, as dictated by the State.
7. Charter School may be eligible for federal funding including, but not limited to: Title I, II, IV and VII, based on the qualification of Charter School's students for such funding.
8. Charter School shall elect to receive funding from the State directly, pursuant to Education Code section 47651. Should the county office of education distribute such funds to the District rather than to the Charter School. District shall have no liability whatsoever for failure of the Charter School to timely receive its funding. However, District will make best efforts to ensure Charter School receives such funding in a timely manner.
9. Charter School may receive funding from new or one-time funding sources available to schools or school districts provided by the State of California to the extent that Charter School and its students generate such entitlements. Additionally, Charter School may apply for private grants.
10. Grants written by and obtained by Charter School will come directly to Charter School and not go through the District or be subtracted from the resources the District would otherwise have allocated to Charter School.
11. If the District applies for additional sources of funding in the form of grants or similar funding at the request of and for the benefit of Charter School, which it may do in its sole discretion, the District will receive a percentage of the funds to be allocated to Charter School. The District will charge the maximum indirect costs as allowed under law or as specified by the specific funding source. Funds shall be allocated to Charter School on a prorated basis based on the formula that generates the funds. For example, if funds are generated on a per eligible student basis, they shall be allocated to Charter School on a per eligible student basis minus the administration fee (i.e., indirect cost fee) charged by the District.
12. Charter School shall cooperate fully with the District in any applications made by the District on behalf of the students of Charter School.
13. Charter School agrees to comply with all applicable laws and regulations related to receipt and expenditures of such funds.
14. Charter School agrees that all loans or other financial commitments by Charter School shall be the sole responsibility of Charter School and the District shall have no obligation for repayment. Charter School shall provide District with not less than 30-days' notice of its intent to incur debt of any kind, including debt incurred by

Charter School on behalf of, or for the benefit of Charter School.

15. Charter School agrees that all revenue obtained by Charter School shall only be used to provide educational services and support consistent with its Charter, and shall not be used for purposes other than those consistent with the approved Charter, this Agreement or any authorized amendments. All expenditures shall be in accordance with applicable law.

C. Legal Relationship

1. The parties recognize that the Charter School is a separate legal entity that operates under the supervisory oversight of the District. Charter School shall maintain its status in good standing with the Internal Revenue Service, the State of California, and shall operate in compliance with its bylaws and the Charter, and shall further ensure that the Charter School, to the extent it is a legal entity separate from Charter School, operates in compliance with all applicable laws. Any failure to do so will be deemed a material violation of the Charter.
2. The Charter School governing board and executive director shall be wholly and independently responsible for Charter School's operations and shall manage its operations efficiently and economically within the constraints of Charter School's Charter and its annual budget. The District shall not be liable for the debts or obligations of Charter School for claims arising from the debts or obligations of Charter School or for claims arising from the performance of acts, errors, or omissions by Charter School. Charter School agrees to indemnify the District against any such claims as set forth in the Charter and this section without regard to the extent the District has performed the oversight responsibilities described in Education Code sections 47604.32 and 47605(m), except those claims resulting from the grossly negligent, reckless or intentional acts or failures to act by District and/or District personnel. Charter School shall not enter into a contract or agreement to be managed or operated by any other non-profit benefit corporation (or any other corporation or entity) without the express written prior approval of the District.

Charter School shall not have the authority to enter into a contract that would bind the District, nor to extend the credit of the District to any third person or party. Charter School shall clearly indicate in writing to vendors and other entities and individuals outside the District with which or with whom Charter School enters into an agreement or contract that the obligations of Charter School under such agreement or contract are solely the responsibility of Charter School and are not the responsibility of the District.

Charter School shall, to the fullest extent permitted by law, indemnify, defend, and hold harmless the District, its officers, directors, employees, attorneys, agents, representatives, volunteers, successors and assigns (collectively hereinafter

“District” and “District Personnel”) from and against any and all actions, suits, claims, demands, losses, costs, penalties, obligations, errors, omissions, or liabilities, including legal costs, attorney’s fees, and expert witness fees, whether or not suit is actually filed, and/or any judgment rendered against District and/or District Personnel, that may be asserted or claimed by any person, firm or entity arising out of, or in connection with, Charter School and Charter School’s performance under this Agreement or the Charter, the condition or use of its facilities, or any acts, errors, negligence, omissions or intentional acts by Charter School, its governing board, administrators, employees, agents, representatives, volunteers, successors and assigns. This indemnity and hold harmless provision shall exclude actions brought by third persons against the District arising out of any grossly negligent, reckless or intentional acts of failures to act of the District and/or District Personnel or solely out of any acts or omissions of the District and/or District Personnel that are not otherwise related to or connected with Charter School and/or its Personnel. This indemnification clause shall comply with all applicable state and federal laws, including, without limitation, the Ralph M. Brown Act (Gov. Code, § 54950 et seq.), the California Public Records Act (Gov. Code, § 6250 et seq.), and applicable conflict of interest laws applicable to public entities generally, including without limitation, the Political Reform Act (Gov. Code, § 871000). The parties agree to abide by decisions of the California Court of Appeal, California Supreme Court, and any other state administrative agency with jurisdiction to interpret and enforce conflict of interest laws, to the extent such bodies issue decisions on the application of conflict of interest laws to California charter schools and Government Code section 1090 et seq.

Charter School shall also comply with all applicable federal and state laws concerning the maintenance and disclosure of student records, including, without limitation, the Family Education Rights and Privacy Act of 1974 (20 U.S.C.A. §1232g), all applicable state and federal laws and regulations concerning the improvement of student achievement, including, without limitation, applicable provisions of the Elementary and Secondary Education Act of 1965 (20 U.S.C.A. § 6301, et seq.) as amended by the No Child Left Behind Act of 2001 (hereinafter the law, state and federal regulations referred to herein as “NCLB”) and agrees to take appropriate remedial action if notified by the District, State of California, and/or Office of Civil Rights or other federal or state administrative agency charged with enforcement of these laws, of a violation of any of the foregoing.

3. Any complaints or concerns (including complaints filed with OCR, CDE, EEOC, or FEHA) received by the District about any aspect of the operation of Charter School or about Charter School shall be forwarded by the District to Charter School. District may request that Charter School inform the District of how such concerns or complaints are being addressed, and Charter School shall provide such information. Charter School shall handle its own uniform complaints pursuant to a Uniform Complaint Procedure adopted in accordance with California

Code of Regulations, Title 5, Sections 4600 et seq. The District retains the authority to investigate any complaints received, in its sole discretion. This section does not apply to complaints regarding special education when the Charter School is operating as a school of the District for purposes of special education.

D. Oversight Relationship

1. Oversight Obligations: District oversight obligations include, but are not limited to, the following:
  - a. Review and revision of this Agreement and any subsequent agreements to clarify and interpret the Charter and amendments to the Charter and the relationship between Charter School and the District.
  - b. Monitoring performance and compliance with the Charter and with applicable laws, including, without limitation, by way of the following:
    - Identifying at least one staff member as a contact person for the Charter School;
    - Visiting Charter School at least once per year;
    - Ensuring that Charter School submits the reports and documents identified in subsection (D)(1)(g) below;
    - Monitoring the fiscal condition of Charter School;
    - Notifying the State of California upon the occurrence of any of the events described in Education Code section 47604.32(e)
    - Charter School shall promptly respond to all reasonable inquiries of the District, including, but not limited to, inquiries regarding its financial records.
  - c. Any process conducted in compliance with Education Code section 47607 related to the issuance of a Notice of Violation or other corrective notice related to Charter School's operations, including document requests, hearings, notices, and investigations, and monitoring efforts to remedy operational problems identified by the District.
  - d. Data required to be submitted pursuant to this section shall be submitted in electronic form if requested by the District.
  - e. Charter School shall comply with Generally Accepted Accounting Principles (GAAP) applicable to public school finance and fiscal management. Charter School shall maintain a minimum reserve for economic uncertainties (designated fund balance) in an amount as follows: 3% of year-end expenditures of Charter School in Year 1; 4% in Year 2; and 5% in Year 3 and thereafter.
  - f. For purposes of fiscal oversight and monitoring by the District,

the District requires Charter School to provide information and documentation related to its operations. Charter School shall provide all information and documentation in the form and at the times specified by the District. Whether included in the report or not, Charter School shall provide the District with a copy of the following documents, data and reports, in the form and at the times specified.

(A) Student Data

Charter School shall submit student enrollment projections to the District by June 1 of the preceding school year each year. Any additional student data information with respect to Charter School shall be provided to the District within three (3) business days of request by District personnel.

Charter School shall maintain contemporaneous written records of enrollment and ADA and make these records available to the District for inspection and audit upon request. Charter School shall provide copies of the P-1, P-2, and annual state attendance reports to the District prior to each report's deadline submission date. Copies of amended state attendance reports, if any, shall be provided to the District within three (3) weeks of discovery of the need for making such an amendment. Charter School shall be responsible for reporting all necessary information for the California Basic Education Data System (CBEDS) and the California Longitudinal Pupil Achievement Data System (CALPADS) to the CDE. Such reports must be generated using the attendance reporting software as applicable to schools. Charter School shall ensure that coding of student information conforms to District student information system requirements.

Student discipline policies shall be provided to the District annually, by September 1 of each year, and as updated; all updates shall be specifically identified for ease of reference and review. Charter School shall provide written notice to the District of each district resident student that leaves the Charter School at any time without completing the school year, including when the student has ceased attending the Charter School for disciplinary reasons and any other involuntary disenrollment for any reason.

Charter School shall inform the District in writing within 10 days of any student that ceases attendance at the Charter School, the date the student was disenrolled, and the reason for disenrollment.

(B) Personnel Data/Credential Data

Staffing data shall be available to the District on an annual basis and prior to commencement of each school year. Teacher credentials, clearances, and permits shall be maintained on file at Charter School and shall be subject to periodic inspection by

the District. Charter School will maintain on file, and available for inspection, evidence that clear criminal records summaries based on criminal background checks were conducted and received for all employees prior to employment. Charter School will provide to the District written assurances of compliance with Education Code section 44237 at the commencement of each school year and not later than September 15.

Charter School shall report employment status changes for credentialed employees based on allegations of misconduct to the Commission on Teacher Credentialing ("CTC") within 30 days pursuant to Education Code section 44030.5. The District shall be provided a copy of such report concurrently with its submittal to CTC. Charter School shall also report to the District any employment status changes for all other employees based upon allegations of misconduct within 30 days.

(C) Budget/Financial Data

Budget Data:

A preliminary budget that has been approved by the Charter School governing board shall be provided to the District on or before June 7 of each year. All key budget variables, including revenue, expenditure, debt, beginning and ending balance variables shall be defined, and the budget shall be accompanied by summary certificated and classified employee salary data, and health benefit plans and policies as supporting documents.

Copies of budget revisions shall be provided to the District within two weeks of revision, upon approval by Charter School governing board.

A copy of any revisions to Charter School budget guidelines, policies, and internal controls shall be provided to the District within four weeks of adoption of revisions, followed by annual updates. Updates shall be specifically noted for ease of reference and review.

Cash Flow Data/Long-term Debt:

District shall be notified in advance of Charter School governing board action to incur short-term debt for cash flow purposes or long-term debt beyond five years on behalf of, or for the benefit of, Charter School. Financing documents shall be made available for District review.

Financial Data:

Bank account reconciliations for Charter School will be the responsibility of Charter School and shall submit reports to District in accordance with Education Code section 47604.33 as follows:

1. Preliminary budget on or before July 1
2. Annual LCAP update on or before July 1
3. First Interim Financial Report on or before December 15
4. Second Interim Financial Report on or before March 15
5. Final unaudited report for the full prior year on or before September 15

The First Interim Financial Report shall reflect changes through October 31; the Second Interim Financial Report shall reflect changes through January 31.

In accordance with Education Code section 47604.33(b), because the District must use the financial information it obtains from financial reports to assess the fiscal condition of the Charter School, Charter School shall submit to District draft reports three (3) weeks in advance of the dates indicated above, and final reports two (2) weeks in advance of such dates, to enable District to have adequate time to review and comment before the final deadline, if necessary.

#### Financial Audit:

Charter School shall provide a copy of Charter School's Audited Financial Report to the District, the county superintendent of schools, the state controller, and the California Department of Education by December 15 of each year. The executive director will review any audit exceptions or deficiencies and report to the Charter School governing board recommendations on how to resolve them. Charter School will submit a report to the District describing how the exceptions and deficiencies have been or will be resolved to the satisfaction of the District along with an anticipated timeline for the same. Any disputes regarding the resolution of audit exceptions and deficiencies will be resolved through the process described in the Charter.

Charter School shall, upon request by the District, present a report to the District's board of trustees on its fiscal solvency. This presentation shall be made at an agenda meeting of the board of trustees and the report shall include review of the Charter School's ADA, revenue, expenditures, debt, audit findings, and compliance with revenue-based programs and grants such as the National School Lunch Program and the Public Charter Schools Grant Program.

#### (D) Governance Data/Meeting Information

Copies of meeting agendas for meetings of the Charter School governing board shall be posted at the Charter School facility and on its website at the time they are distributed to the public pursuant to the Brown Act. Minutes shall be approved at the subsequent meeting of the Charter School governing board and copies of meeting minutes shall be available at the Charter School facility within five (5) days after their approval. Charter

School shall provide the District with notice of all meetings. Copies of approved minutes will be maintained by Charter School and made available on the Charter School website within 5 days of approval.

Charter School shall establish an annual calendar listing the dates of its regular meetings and provide and identify the locations of those meetings so that members of the public are able to attend the meeting in person, if desired, which will be held in compliance with the Brown Act, which shall physically occur within the county. Regardless of specific location, Charter School will ensure that all meetings are accessible to the public and may be attended in person if desired; in addition, Charter School will ensure that an accessible videoconference location is available within the boundaries of the District for every meeting. Notice of the videoconference location shall be included on all meeting agendas, and each videoconference location shall allow for public comment from the videoconference location

Charter School shall annually (on or before July 1 of each year) send to the District a list of its directors and officers, including addresses and phone numbers. The Charter School shall notify the District within 30 days of any change in the composition of these directors and/or officers.

(E) Personnel Policies

A copy of Charter School personnel and payroll policies shall be provided upon commencement of the first school year and annually thereafter by September 1.

(F) Risk Management Data

The Charter School shall establish and institute risk management policies and practices to address reasonably foreseeable occurrences. Copies of all policies of insurance and memoranda of coverage shall be provided by Charter School to the District annually no later than July 1<sup>st</sup> annually. The District shall be named as an additional insured. Should insurance expire or lapse for any reason, the Charter School shall immediately inform District, and Charter School shall not operate unless and until full coverage is reinstated. The District reserves the right to require complete, certified copies of all required insurance policies, including endorsements affecting the coverage required by this Agreement at any time.

A copy of the Charter School Health and Safety Plan will be maintained by the Charter School and shall be provided to the District no later than two weeks prior to the commencement of school.

(G) Programmatic/Performance Audit

The Charter School shall prepare an annual performance review and present the review to the District board of trustees at a public meeting of the Board on or about March 1 each year, the specific date to be mutually agreed between District and Charter School.

The performance review report shall include all information necessary to demonstrate that Charter School is meeting the applicable accountability standards and legal requirements as defined by the State of California, the Charter, and this MOU, and operating in a legally compliant and fiscally responsible manner for the then current school year. The performance review report shall also include, among other things: a review of budget and financial status including discussion of any debt incurred by Charter School on behalf of the Charter School; a discussion of the educational program being delivered at the Charter School; an analysis of whether student performance is meeting the goals specified in the charter using data displayed on a school-wide basis and disaggregated by major racial and ethnic categories, socio-economic status, English learner status, and/or disability; an overview of Charter School's admissions practices during the year and data regarding the numbers of students enrolled and the number on waiting lists; student data regarding student discipline, expulsion and any disenrollment including the basis for any disenrollment; analysis of the effectiveness of Charter School's internal and external dispute mechanisms and data on the number and resolution of disputes and complaints; as well as any updates on the Charter School's operations.

(H) Instructional Materials

A list of core instructional materials by grade and content will be maintained by the Charter School and shall be made available to the District within two (2) business days of receipt of a written request from the District.

(I) Other

Charter School shall provide such other documents, data and reports as may be reasonably requested or required by the District or the county office of education.

2. Oversight Fees: Charter School shall pay the District one percent (1%) of Charter School revenues to cover the actual cost of oversight, unless the District provides substantially rent-free facilities, in which case the oversight fee shall not exceed three percent (3%) of the Charter School's revenue. The District reserves the right to charge a pro rata share for facilities, in its discretion. "Charter School revenue" means the general-purpose entitlement and categorical block grant, or LCFF revenue, as defined in subdivisions (a) and (b) of Education Code section 47632 or as modified by the Legislature. The District will invoice the Charter School for this amount at the end of each fiscal year.

Administrative Services: Charter School has the obligation to provide all administrative services necessary to operate Charter School. Charter School may provide these services directly or may contract with a third party to provide services, including the District. If Charter School purchases services from a third-party other than the District it shall ensure that the District is able to access all information regarding Charter School maintained by the third-party service provider. Should Charter School desire to purchase administrative or business services from the District, Charter School shall request administrative services in writing. If the Charter School requests administrative services from the District in writing, the parties shall execute an administrative services contract delineating their agreement. Any such contract is incorporated by reference herein and shall govern the parties' entire relationship with respect to the District's provision of administrative services.

Technical Assistance/Failure to Improve Academic Outcomes: Charter School acknowledges that if it fails to improve outcomes for three or more pupil subgroups identified pursuant to Education Code section 52052 (or in all pupil subgroups if fewer than three), in one or more state or school priorities identified in the Charter in three out of four consecutive school years, the District shall take actions, including but not limited to requesting that the SPI assign the California Collaborative for Educational Excellence ("CCEE") to provide advice and assistance to the Charter School. If the Charter School has been assigned to CCEE for advice and assistance but the District has found that the Charter School has (i) failed or is unable to implement CCEE recommendations; or (ii) the Charter School's inadequate performance based on the evaluation rubric is persistent and acute, then the District will consider revocation of the Charter School. Increases in pupil academic achievement for all pupil subgroups will be the most important factor in determining whether the Charter School shall be revoked. The provisions of Education Code section 47607 shall govern the revocation process, except that the Charter School may not appeal the District's revocation determination.

E. Special Education and Student Issues

Please see separate agreement for a full description of the roles and responsibilities for special education services for Charter School students.

F. Student Application/Registration/Records/Withdrawal

1. Charter School shall adopt student application and registration forms that include questions about whether the student is currently receiving or has ever received any type of special services (e.g. special education, IEP, Section 504 plan, accommodation plan), or has been expelled from a school district. Charter School shall use a records request form to request pupil records from the prior school of attendance for all students who indicate an intention to enroll in Charter School.
2. Student Withdrawal from Charter School. If a pupil is expelled or leaves the Charter School without graduating or completing the school year for any reason, the Charter School shall notify the superintendent

of the school district of the pupil's last known address within ten (10) days, and shall, upon request, provide that school district a copy of the cumulative record of the pupil, including a transcript of grades or report card and health information.

3. No student may be involuntarily disenrolled or dismissed from the Charter School without compliance with the Charter School suspension/expulsion policy.

G. Insurance

Charter School will obtain its own insurance coverage to cover the operations of Charter School and shall supply the District certificates of insurance, with proof of insurance of at least the types and amounts recommended by the District's insurer based upon the standard coverage for a school of similar size and location, as initially outlined below, which may change annually based on, among other factors, size and location of Charter School subject to District agreement to such change. It is understood that the Charter School is a separate school district from the District and the Charter School is afforded no coverage under any District policy. The District shall be an additional insured on all Charter School policies, and Charter School insurance is to be primary and any insurance maintained by the District, its officers, officials, employees, or volunteers shall be in excess of the Charter School's insurance and shall not contribute to such coverage(s).

1. The Charter School, at its expense, shall procure and maintain throughout the term of this Agreement General Liability insurance with a minimum per occurrence limit of \$10,000,000 and the deductible/self-insurance retention shall not exceed \$10,000. Such minimum limits of policies shall in no event limit the liability of the Charter School hereunder. Insurance shall include coverage for claims against the Charter School, its elected or appointed officials, employees, agents, volunteers and students (interns while acting on behalf of the Charter School) arising out of errors and omissions, abuse and molestation, and employment practices liability. The policy or policies shall name as additional insured/additional covered party, by way of separate endorsement, the District, its elected or appointed officials, employees, agents and volunteers. The policy or policies shall provide that this insurance shall be primary with respect to any liability or claimed liability arising out of the performance or activities by the Charter School under this Agreement or the Charter School's use of the premises, and that any insurance procured by the District, its elected or appointed officials, employees, agents and volunteers shall be excess and shall not be called upon to contribute until the limits of the insurance provided hereunder shall be exhausted.
2. Charter School shall maintain automobile liability insurance, including non-owned and hired coverage with a minimum per accident limit of \$10,000,000 for any injuries to persons (including death there from) and property damage in connection with the Charter School's activities under this Agreement.
3. Charter School is to procure and maintain, for the duration of this

Agreement, Workers' Compensation insurance against claims for injuries to the Charter School's employees in accordance with such insurance as required by the State of California Labor Code and Employers Liability coverage.

4. Professional Liability (Errors and Omissions) Insurance (including employment practices coverage) with limits not less than one million dollars (\$1,000,000) each occurrence.
5. If any policies are written on a claims-made form, Charter School agrees to maintain such insurance continuously in force for three years following termination or revocation of the Charter or extend the period for reporting claims for three (3) years following the termination or revocation of the Charter to the effect that occurrences which take place during this shall be insured.
6. District is not responsible for real or personal property losses suffered by the Charter School, its elected or appointed officials, employees, agents, volunteers or students. Charter School shall be solely responsible for obtaining adequate property insurance for Charter School's personal property, building improvements and any real property/buildings owned by the Charter School.
7. The Charter School must have adopted a resolution with administrative rules and regulations in regard to risk management and safety.
8. The Charter School must adhere to established claim reporting guidelines, especially as they relate to timeliness and completeness of reporting, and providing assistance requested by the carrier or its representative in the investigation and defense of a claim.
9. The Charter School must follow established guidelines in regard to obtaining appropriate certificates of insurance, additional insured endorsements and hold harmless and indemnification agreements.
10. If the Charter School is housed in a facility independent of the District, the Charter School shall only allow its facilities to be used by the public pursuant to the same parameters as the District. As a minimum, the Charter School shall require that all users provide a certificate of insurance with acceptable liability limits, depending upon the nature of the activity, and a written agreement by the user group to defend, indemnify and hold harmless the Charter School and the District, as the oversight agent, from any and all losses which may occur, however caused, as a result of the user group's use of the facility.
11. The District shall retain the ability to conduct inspections of its facilities and equipment pursuant to established risk management guidelines. Defective or dangerous conditions discovered through these inspections must be promptly corrected at its own expense. The Charter School is required to complete quarterly safety inspections. These inspections must be maintained in a log book. Biannual inspection by a certified third party must be performed at least biannually. The Charter School shall keep

written records of these inspections on file for at least one year after the date of the inspection.

12. Charter School shall provide a Concussion and Head Injury Information Sheet ("Form") to any student athlete on a yearly basis and the athlete shall not commence practice or competition until the Form is signed and returned by the athlete and the athlete's parent or guardian.
13. The Charter School shall obtain parent or legal guardian permission for all voluntary field trips, excursions or on-campus extracurricular activities. An Assumption of Risk Form shall be signed by all parents/legal guardians and release shall include acknowledgment that such trips, excursions or extracurricular activities are not affiliated with the District. Student participants twelve years of age or older shall also sign the Assumption of the Risk Form.
14. Charter School employees and parent volunteers must provide proof of automobile liability insurance coverage and a valid driver's license prior to driving on Charter School business or activities. Drivers must be at least 21 years old. Only participants in the activity shall ride in the vehicle while it is being driven on school business.
15. The Charter School shall not allow employees or the public to use the school's power tools or equipment for their personal business. Any equipment which is loaned to employees or students shall have a loan form completed by the borrower and the parent/legal guardian, if appropriate, and shall only be loaned if there is a school purpose involved and only upon approval of the site administrator or designee.
16. All extracurricular athletic activities or student body groups involving off-campus activities shall require an assumption of risk form to be signed by the participant and parent/legal guardian. Such forms and release shall include acknowledgment that such trips, excursions or extracurricular activities are not affiliated with the District.
17. The Charter School shall follow established guidelines applicable to charter schools and consistent with the Charter School's charter, employment agreements, and personnel policies in regard to termination of employees, handling sexual harassment complaints and conducting business in a nondiscriminatory manner and must comply with applicable local, state and federal laws and regulations.
18. If Charter School decides to use the services of independent contractors rather than hiring employees, the Charter School shall be responsible for properly risk managing those activities. The Charter School shall also assume all responsibility for any taxes and penalties, which may be assessed by the Internal Revenue Service.

19. The Charter School shall agree to provide appropriate safety training to students in classes involving the handling of hazardous materials. Such training shall include, as a minimum, students' understanding of a material safety data sheet and how to interpret it, and instruction on the proper handling of the hazardous materials in the classroom to avoid exposures.
20. The Charter School shall provide safety instruction and written tests prior to student use of any power tools and equipment in the industrial arts class and shall retain the written test for one year after the student has left the school.
21. Cheerleading activities shall adhere to the National Cheerleaders Association Safety Guidelines in the Relief Risk Management Manual.
22. The Charter School shall follow safety guidelines mandated in their insurance policy agreement. The Charter School shall agree to a biannual risk management audit, at its own expense, to verify compliance safety guidelines. Such audit shall be provided to the District within two weeks of receipt by the Charter School.
23. Fidelity bond coverage shall be maintained by the Charter School to cover all Charter School employees who handle, process, or otherwise have responsibility for Charter School funds, supplies, equipment and/or other assets. Minimum amount of coverage shall be \$150,000 per occurrence, with no self-insured retention. The bond/policy deductible shall not exceed \$5,000.

H. Human Resources Management

All staff working at the Charter School are employees of Charter School. Charter School shall have sole responsibility for employment, management, salary, benefits, dismissal and discipline of its employees. Nothing in this section shall restrict Charter School's ability to hire temporary employees or independent contractors as necessary.

- I. Charter School will be considered the public-school employer pursuant to the Educational Employment Relations Act.
- J. Charter School agrees to comply with applicable federal statutory and regulatory requirements for highly qualified teachers and paraprofessionals used for instructional support as set forth in NCLB.
- K. Charter School shall be responsible for ensuring compliance with all applicable fingerprinting and criminal background investigation requirements. No individual may begin employment or be in contact with students that has not received full clearance.

J. Transportation

All responsibility for transportation services, if offered, will be provided by Charter School, including transportation for field trips.

K. Nutritional Services

Absent a separate written agreement to the contrary, Charter School will be responsible for providing its own food services. Charter School shall provide nutritious lunches and snacks to children at reasonable prices in conformity with the National School Lunch Program. The program must be open to all enrolled children. Free or reduced-price meals and snacks must be provided to those children who qualify for such benefits. Charter School shall fully comply with all state and federal laws governing free and reduced-price lunch/meals.

L. Educational Program

1. Subject to District oversight and compliance with its Charter and applicable state and federal law, including, without limitation, NCLB, IDEA, state law on the education of students with disabilities, and Section 504, Charter School is autonomous for the purposes of, among other things, deciding Charter School's educational program with the understanding that the educational program shall comply with the Charter.
2. Charter School's calendar shall be submitted annually on or before September 1 to the District for review and verification of compliance with instructional day and minutes requirements. Updates to the calendar shall be provided to the District within 10 days of any changes.
3. It is understood that Charter School shall meet or pursue the adequate applicable accountability provisions under state and federal law.
4. Charter School shall comply with the requirements of Education Code sections 52200-52212 and the implementing regulations in the provision and implementation of its Gifted and Talented Education Program, if applicable. Charter School shall provide the District with student data regarding its program, in total and disaggregated by grade level, including the number and percentage of students identified as gifted and talented broken down by the following categories: English language learners; eligible to participate in the free and reduced lunch program; ethnic/racial category; participants in Migrant Education Program; students reclassified Fluent-English- Proficient; foster youth; gender; and/or students with disabilities. Charter School shall ensure that the Charter School is employing methods designed to seek out and identify gifted and talented pupils from diverse linguistic, economic, and cultural backgrounds and shall ensure that there is equal opportunity to be identified in the categories served.
5. Charter School will not "opt-in" to participate in the *Williams Settlement*.
6. As long as funding is available, Charter School shall provide a transitional kindergarten program with age appropriate curriculum and outcomes in accordance with Education Code section 48000.

M. Facilities

Charter School shall comply with Education Code section 47610 by either utilizing facilities that are compliant with the Field Act or facilities that are compliant with the State Building Code. The facilities shall meet the requirements of the Americans with Disabilities Act and shall be approved by the local fire marshal for the use intended. Charter School agrees to test sprinkler systems, fire extinguishers, and fire alarms annually at its facilities to ensure that they are maintained in an operable condition at all times. Charter School shall conduct fire drills regularly and shall maintain records of such drills. Charter School must be located within the District's boundaries and may not establish more than one site or facility without seeking material revision of its Charter document from the District's board. No major construction may be initiated at any facility without at least 60 days' notice to the District.

Whenever the Charter School is utilizing District facilities, Charter School understands and acknowledges that a separate facility use agreement is required. If the parties have a facility use agreement in place, that shall govern over this paragraph.

N. Renewal

The parties recognize that Charter School will be required to meet the requirements of law as a condition for renewal. If Charter School intends to apply for a renewal of its charter, it must submit its petition no later than six (6) months in advance of the end of its current term. The petition must satisfy all legal criteria and evidence that the Charter has operated in full compliance with the law, the Charter and the MOU in order to be renewed.

O. Response to Requests

Pursuant to Education Code section 47604.3, Charter School shall respond promptly to all reasonable written requests of the District. As a nonprofit public benefit corporation operating publicly funded charter schools, Charter School agrees that its records shall be open to public inspection pursuant to the terms of the California Public Records Act.

P. Designees

Any notice, documentation, and/or information required or permitted to be given under this MOU shall be deemed to have been given, served and received if given in writing and personally delivered or either deposited in the United States mail, registered or certified mail, postage prepaid, return receipt required, or sent by overnight delivery service or facsimile transmission, addressed as follows:

If to the District:      City School District  
   Attn: Superintendent  
   750 City Street  
   Any City, CA 95555

If to Charter: Charter School Principal/Administrator  
350 Main Street  
Any City, CA 94444

Q. Legal Counsel

Charter School shall retain the right to use its own legal counsel and will be responsible for procuring such counsel and associated costs.

R. Enrollment of Expelled Students

Neither Charter School nor the District shall be obligated to accept enrollment of any student who has been expelled from the other entity during the term of the expulsion except as may be required by federal or state law. Charter School may not disenroll or otherwise dismiss a student from the Charter School without compliance with the expulsion procedures set forth in the Charter as approved by the District board of trustees.

S. Provision of Documents

With both parties understanding that some state, federal and county documents directed toward Charter School may be mailed to the District, the District agrees to pass on such documents and forms to Charter School in a timely manner, so it may complete its legal obligations. Charter School has full responsibility for the forms and documents it receives directly and those which it must access on the internet on its own.

T. Non-Assignment

Neither party shall assign its rights, duties or privileges under this Agreement, nor shall either party attempt to confer any of its rights, duties or privileges under this Agreement on any third party, without the written consent of the other party. The replacement of Charter School with any other nonprofit corporation or other operating body or governance structure shall be treated as a material revision of the Charter, subject to the review and approval of the District pursuant to applicable provisions of the Education Code.

U. Severability

If any provision or any part of this Agreement is for any reason held to be invalid or unenforceable or contrary to public policy, law or statute and/or ordinance, the remainder of this Agreement shall not be affected thereby and shall remain valid and fully enforceable.

V. Reimbursement of Mandated Costs

Charter School shall seek reimbursements of its mandated costs, if any, directly from the State.

This represents the full and final agreement between Charter School and the District and shall only be modified in writing by the mutual agreement of the parties.

Dated:

Superintendent  
City School District

Dated:

\_\_\_\_\_  
Principal/Administrator  
Charter School

DRAFT