

CHARTER SCHOOL AUTHORIZER CONTRACT

between

Novation Education Opportunities, Authorizer
3432 Denmark Avenue Suite #130 Eagan, MN 55123

and

[Charter School]
[Charter School Address]

This Agreement is between Novation Education Opportunities and [Charter School].

SECTION 1. TERMS OF AGREEMENT.

- 1.1 Effective date: [Date]
- 1.2 Expiration date: [Date]
- 1.3 Survival of Terms. The following clauses survive the expiration or cancellation of this Agreement: 1. Liability; 2. State and Federal Audits; 3. Government Data Practices and Intellectual Property; 4. Publicity and Endorsement; 5. Governing Law, Jurisdiction, and Venue; 6. Data Disclosure; and 7. Dissolution.
- 1.4 The Addendum to this Agreement is incorporated into, and made part of this Agreement. This Agreement has the following Addendum items:
 1. a declaration that the charter school will carry out the primary purpose in section 124E.01, subdivision 1, and how the School will report its implementation of the primary purpose;
 2. a declaration of the additional purpose or purposes in section 124E.01, subdivision 1, that the School intends to carry out and how the School will report its implementation of those purposes;
 3. a description of the charter school program and the specific academic and nonacademic outcomes that pupils must achieve;
 4. a statement of admission policies and procedures;
 5. a governance, management, and administration plan for the charter school;
 6. signed agreements from charter school board members to comply with all federal and state laws governing organizational, programmatic, and financial requirements applicable to charter schools;
 7. the criteria, processes, and procedures that the authorizer will use to monitor and evaluate the fiscal, operational, and academic performance consistent with subdivision 3, paragraphs (a) and (b);
 8. for contract renewal, the formal written performance evaluation of the charter school that is a prerequisite for reviewing a charter contract under subdivision 3;
 9. types and amounts of insurance liability coverage to be obtained by the charter school, consistent with section 124E.03, subdivision 2, paragraph (d);
 10. consistent with section 124E.09, paragraph (d), a provision to indemnify and hold harmless the authorizer and its officers, agents, and employees from any suit, claim,

or liability arising from any operation of the charter school, and the commissioner and department officers, agents, and employees notwithstanding section 3.736;

11. the term of the initial contract, which may be up to five years plus an additional preoperational planning year, and up to five years for a renewed contract or a contract with a new authorizer after a transfer of authorizers, if warranted by the charter school's academic, financial, and operational performance;
12. how the board of directors or the operators of the charter school will provide special instruction and services for children with a disability under sections 125A.03 to 125A.24, and 125A.65, a description of the financial parameters within which the charter school will operate to provide the special instruction and services to children with a disability;
13. the specific conditions for contract renewal that identify performance of all students under the primary purpose of section 124E.01, subdivision 1, as the most important factor in determining contract renewal;
14. the additional purposes under section 124E.01, subdivision 1, paragraph (a), and related performance obligations under clause (7) contained in the charter contract as additional factors in determining contract renewal;
15. the plan for an orderly closing of the School under chapter 317A, whether the closure is a termination for cause, a voluntary termination, or a nonrenewal of the contract, that includes establishing the responsibilities of the school board of directors and the authorizer and notifying the commissioner, authorizer, school district in which the charter school is located, and parents of enrolled students about the closure, information and assistance sufficient to enable the student to reenroll in another school, the transfer of student records under section 124E.03, subdivision 5, paragraph (b), and procedures for closing financial operations;
16. the agreed-upon Authorizer fee structure (Minn. Stat. §124E);
17. the charter school board membership roster as of the first day of the contract;
18. copy of charter school's Certificate of Incorporation issued by the Minnesota Secretary of State's Office;
19. copy of charter school's Articles of Incorporation stamped by the Minnesota Secretary of State's Office; and
20. copy of the charter school's (signed) bylaws adopted and approved by the charter school's board of directors.

SECTION 2. DEFINITIONS. For purposes of this Agreement, and in addition to the terms defined throughout this Agreement, each of the following words or expressions whenever initially capitalized, shall have the meaning set forth in this section:

- 2.1 “Agreement” means this contract between the Authorizer and the School as required by Minnesota Charter School Law, Minn. Stat. §124E.
- 2.2 “Applicable Law” means all state and federal laws and rules applicable to Minnesota Charter Schools and any regulations and guidelines issued pursuant to those laws and rules. This includes changes made to Applicable Law by Congress, Minnesota Legislature and/or appropriate federal and state agencies.
- 2.3 “Affidavit” means the School Affidavit and supporting documentation that was submitted by the Authorizer and the School to and approved by the Minnesota Department of Education (“Department”) for the Authorizer to grant the charter to the School. The Affidavit is incorporated by reference into this Agreement.
- 2.4 “Approval” means the approval by the Education Commissioner for the Authorizer to grant a charter to the School (includes charter contract renewals).
- 2.5 “Charter Law” means the Minn. Stat. §124E *et seq.*, as amended, and any rules or regulations adopted by the Education Commissioner relating to this law.
- 2.6 The “School” refers to the School listed above.
- 2.7 “Charter School Board” means the Board of Directors established to govern the School, as required under Minn. Stat. §124E.
- 2.8 The “Authorizer” refers to the Authorizer listed above.
- 2.9 “Education Commissioner” means the Commissioner of the Minnesota Department of Education or his or her designee.
- 2.10 “Department” means the Minnesota Department of Education.
- 2.11 “State” means the State of Minnesota.
- 2.12 “School Information” includes all educational data, as defined in Minnesota Statutes 13.32; any and all data related to employees; any and all complaints filed by the School as required by federal and state law and all complaints filed against the School or any of its employees; any and all investigative files and the results of any investigations; any and all financial information as required to be disclosed under the Minnesota Data Practices Act; and any data or other information that the Authorizer deems reasonably necessary to carry out its role.
- 2.13 “Captions”. The captions and headings used in this Agreement are for convenience only and shall not be used in construing the provisions of this Agreement.

SECTION 3. PURPOSE OF SCHOOL; DESCRIPTION OF THE PROGRAM; PERFORMANCE INDICATORS AND EVALUATION.

3.1 Purpose of the School and Description of the Program. The School will be organized and operated to achieve the purpose(s) and program of the School as stated in the School's Affidavit, subsequent approved amendments and agreements to the Affidavit, terms of this Agreement, and as provided for in the Minnesota Charter Law. The School's program is described in the Affidavit and subsequent approved amendments and agreements. The School agrees to operate in a manner consistent with the Affidavit and Agreement and amendments and agreements approved by the Authorizer.

3.2 Performance Indicators and Evaluation.

(a) Graduation Standards. If applicable, the School will comply with the requirements as defined by Minnesota Statute and the School will document the levels of student performance on the state assessments developed and administered by the Department.

(b) The School will comply with all responsibilities and obligations and their implementing regulations established by the U.S. Department of Education, including as applicable, but not limited to, participating in statewide assessments, meeting public and parent reporting requirements, and implementing School improvement plans and reporting requirements if the School is identified for improvement. The School will comply with all requirements to the degree it pursues, qualifies for and benefits from Federal funding. This includes programs required for English language learners and all other focus populations. The School will fulfill program requirements, financial management, reporting, and accounting for each active Federal program and will comply with all Minnesota Statutes and applicable rules implemented pursuant to Federal programs in Minnesota.

(c) *Individuals with Disabilities Education Act* (IDEA). The School will comply with Minn. Statutes Chapters 125A and 124E, all applicable rules implemented pursuant to these chapters, and all Federal and State law relating to the education of students with disabilities. Consistent with the provisions of Minn. Stat. Chapter 124E, the financial parameters within which the School will operate to provide special education instruction and related services to students with disabilities will be based on the individual needs of the student, as defined by the student's evaluation and by the instruction and related services specified in the student's Individual Education Plan ("IEP").

(d) Identifying Goals and Performance Indicators. The School and the Authorizer agree that the School's operation under the Agreement shall be measured by the School performance indicators set forth in this Agreement including academic outcomes for individual students and for the School as a whole, and standards for governance, financial management, and School operation. Academic outcomes will be assessed using multiple indicators as defined in the School's Performance Framework. The School will measure the students' academic levels of performance and the School will provide the Authorizer this information as baseline data for the purpose of defining academic and nonacademic outcomes to measure School performance as described in the Agreement. Program goals must meet requirements for teacher evaluation and peer review and address staff development efforts, student attendance, student retention, and graduation rates (in the high schools). The School program and specific academic and nonacademic outcomes that pupils must achieve will be clearly defined by the Performance Indicators in the School's Performance Framework and Implementation Guide and will be used as the basis for contract renewal decisions.

(e) Annual Report. The School will file an Annual Report that may be inclusive of the World's Best Workforce Report with the Authorizer and the Education Commissioner that is consistent with the provisions of Minn. Stat. §124E, and that contains any and all information required by the Authorizer and the Education Commissioner. The Annual Report and World's Best Workforce Report will be filed by due dates identified in Charter Law. The School may include other information in the Annual Report including the information required for the World's Best Workforce Report. The Authorizer will review the Annual Report and World's Best Workforce Report and may provide written comment to the Charter School Board as necessary.

(f) Annual Report Dissemination. The School will disseminate the Annual Report and the World's Best Workforce Report or a summary of this Report to the families of students attending the School and post these reports on the School's website. The World's Best Workforce Report may be included in the Annual Report.

(g) If the state requires the School to develop and implement an educational improvement plan that could be a School Improvement Plan (SIP) for example, the School will provide NEO a copy of its educational improvement plan not later than October 1st of each School year. The Authorizer may review and comment on the educational improvement plan. The School will provide the Authorizer with the Education Commissioner's Review and Comment, if any is received.

SECTION 4. LEGAL STRUCTURE.

4.1 Legal Structure

(a) Nonprofit Status. The School is organized and operated as a nonprofit corporation under Minnesota Statutes Chapter 317A, as amended.

(b) Articles of Incorporation. The School's Articles of Incorporation are an implied part of this Agreement. The School represents that, as of the date of this Agreement, the Articles of Incorporation of the School set forth in the Agreement Addendum are accurate and have not been otherwise altered or amended.

(c) Bylaws. The School's bylaws are an implied part of this Agreement. The School will notify the Authorizer within thirty (30) calendar days of any amendments to the bylaws. The School represents that, as of the date of this Agreement, the Bylaws of the School set forth in the Agreement Addendum are accurate and have not been otherwise altered or amended.

(d) The School is subject to Minn. Stat. §124E and any other statutes and rules that derive from or pertain to the operation of this entity.

(e) The Authorizer documents and respects any autonomy conferred on the School by statute or law as exemptions from regulations or requirements.

(f) Learning Environments and Leased Space. The School may lease space from any organization as it deems necessary within provisions of Minn. Stat. §124E. The School may also contract for other suitable learning environments that meet School mission and program requirements and fulfill all legal and safety requirements within provisions of Minn. Stat. §124E. The School will submit a lease-aid application to the Department for approval prior to opening the School and each subsequent year. The School will provide a copy of that application when submitted to the Department, as well as the Department's decision, to the Authorizer. The School will provide to the Authorizer any notice of lease termination within five (5) calendar days of receipt.

(g) Occupancy and Safety Certificates. The School Board shall: (a) ensure that the School's physical facilities comply with all fire, health, and safety state standards and regulations applicable to Schools; (b) meet federal American with Disabilities Act (ADA) requirements; and (c) possess the necessary occupancy and safety certificates for the School's physical facilities. The School Board shall not conduct classes until the School has complied with this section. Copies of such certificates shall be provided to the Authorizer before the first day of classes, if requested by the Authorizer.

(h) Authorized Grades. The School is authorized to serve grades prekindergarten (PreK) through eighth grade (8th).

(i) Enrollment and Grade Level Expansion. The School will not expand to a new site or new grade levels beyond the grade levels identified in the Agreement without application to and approval by the Authorizer and the Minnesota Education Commissioner, consistent with Minnesota Statutes 124E.

SECTION 5. AUTHORIZER FEES

- 5.1 Authorizer Fee. The Authorizer shall charge the School a fee for performing the services listed in this contract.
- 5.2 Authorizer Fee Amount. The fee charged by the Authorizer to the School shall be the maximum allowable under Minnesota Statutes 124E.

SECTION 6. OPERATING REQUIREMENTS

6.1 Governance

(a) Board of Directors. A Board of Directors whose membership is described in the School's bylaws and defined by state statute will govern the School. The School will file changes in the membership of the Charter School Board in the form of an updated board roster with the Authorizer within one week of a change occurring. Prior to the time such persons are seated as members of the Charter School Board, the School will conduct a criminal background check, identical to those required for School volunteers by Minnesota Statutes 123B.03, Subd. 1. The Charter School Board will certify to the Authorizer that background checks have been completed. Consistent with data practices law, the Charter School Board will provide to the Authorizer any adverse information that is revealed as part of the background checks and will evaluate, on a case-by-case basis, membership on the Charter School Board where the background check revealed adverse information. Charter School Board members must complete required training and board development required by Charter Law. Performance in Governance, Compliance and Operations will be evaluated according to the Performance Indicators as described in the School's Performance Framework.

(b) Powers. The Charter School Board will provide governance and policy leadership including, but not limited to, approval of contracts and agreements consistent with the School's policy, long range planning, goal-setting and policy development and implementation for the School consistent with the School's approved mission, operations and results; holding the School accountable for meeting its goals; overseeing and approving an annual budget; and annually evaluating the performance of the School Director. The Board and School will satisfy Minn. Stat. §124E in this regard. All Board members will receive training and board development required by Charter Law. Board members and the School will annually submit statements that there are no conflicts of interest, in compliance with Minnesota Statute 124E.

(c) Ownership of assets. The School's assets may be subject to prior commitments through Federal and State laws and rules regarding public funding of the School. Therefore certain conditions may prevent access to these assets by creditors and liens. Such conditions will be a factor in the School's status and the Authorizer's assessment of the School and viability of this Agreement.

(d) Charter School Board Election. Charter School Board elections will be conducted as provided in the School's bylaws and Minnesota Statute 124E.

(e) Open Meeting Law. All meetings and business of the Charter School Board will comply with the Minnesota Open Meeting Law, Minnesota Statutes Chapter 13D.

(f) Frequency of Meetings. The Charter School Board will meet as provided in the bylaws. A copy of the agenda, minutes and all related documents will be provided to the Authorizer prior to and for each public meeting. At the request of the Authorizer, the Charter School Board will provide the Authorizer an opportunity to address the Charter School Board regarding matters determined by the Authorizer.

(g) Authorization of Employment. The Charter School Board will employ and contract with necessary teachers, as defined by Minnesota Statutes 122A.15, who hold valid teaching licenses issued by the State to perform the particular service for which they are employed at the School.

(h) Non-Licensed Personnel. The Charter School Board or its delegate may employ necessary employees who are not required to hold teaching licenses to perform duties other than teaching, and may contract for other services.

(i) Collective Bargaining. If employees of the School choose to engage in collective bargaining, the School will comply with Minnesota Statutes Chapter 179A, the Public Employment Labor Relations Act ("PELRA").

(j) Charter School Board Training. The Charter School Board will participate in training regarding board governance, finance and operations consistent with Minn. Stat. §124E. The Charter School Board will submit its plan for training to the Authorizer, if requested, and attend training reasonably required by the Authorizer. The School shall report in its School's annual report the training attended by each board member the previous year.

6.2 School Calendar. School Calendar is established by April 30 each year and shows an adequate number of instructional hours in compliance with Minnesota Statutes Chapter 120A.41.

6.3 Non-Sectarian Operation. The School will be non-sectarian in its program, admission policies, and employment practices, and for all other purposes.

6.4 Tuition and Fees. The School will not charge residents of Minnesota tuition for admission to the School. The School may impose fees and require payment of expenses for activities of the School where such fees and payments are not prohibited by applicable law. The School will comply with the Minnesota Public School Fee Law, Minnesota Statutes Chapter 123 Sections 123B.34 to 123.39.

6.5 Home School Students. The School will not be used as a method of generating revenue for students who are being home Schooled pursuant to Minnesota Statutes 120A.22.

6.6 Admissions

(a) Limits. The School may not limit admission to pupils on the basis of intellectual ability, measures of achievement or aptitude, or athletic ability, nor may it condition admission on criteria or take any action that would violate the Minnesota Human Rights Act, Minnesota Statutes Chapter 363A.

(b) Applications. The School will enroll an eligible pupil who submits a timely application, unless the number of applicants exceeds the capacity of the program, class, or grade level. In such cases, selection shall be by lottery pursuant to the Charter Law, Minn. Stat. §124E. A student continuing for the next year will remain enrolled for the next year without re-application.

6.7 Reporting to the Authorizer.

(a) Reports. The School will file reports with the Authorizer regarding enrollment, the program, and financial status of the School. The financial reports must contain budget and actual revenue and expenses (by year-to-date), as well as cash-flow statements, check register, gifts and donations, and fiscal year-end fund balance projections. The financial reports will also include the total dollar amount of unpaid accounts payable more than thirty days past due with an explanatory note for the total amount of any such past due amounts disputed by the School, if applicable; and the current average daily membership of the School. The School will file copies of inspections or findings with the Authorizer that can materially impact the operation of the School.

(b) Access to Information. The School will provide the Authorizer with, and permit prompt and reasonable access to, any School information requested by the Authorizer, including education data on individuals, in compliance with Minnesota Statutes Chapter 13 and any other applicable state or federal law. The School agrees to allow the Authorizer access to the School site for site visits, scheduled and unscheduled. For purposes of such data disclosure, the parties agree that they will be governed by Minnesota Statute; Chapter 13 and the Family Educational Rights and Privacy Act (FERPA). The School will provide the Authorizer with a full set of approved policies and updates as created.

(c) Other Reports. The School and the Authorizer will file reports with the Education Commissioner consistent with the procedures established by the Department.

(d) Violations of Law. The School will promptly notify the Authorizer of complaints that allege that violations of state or federal law or regulation have been committed by the School or its employees or agents, unless such reporting would be in non-compliance with a state or federal law.

6.8 Financial Management

(a) Financial Reports. The School will provide the Authorizer a copy of the annual budget for review and comment prior to its approval by the Charter School Board, if requested by the Authorizer. The School will provide the Authorizer periodic reports directly from the individual who prepares the reports of the financial status of the School. Such reports must have a format that directly corresponds to balances in the School accounting system. The School will provide to the Authorizer the annual financial audit and any other audits by any agency. Financial Performance will be evaluated according to the Finance Performance Indicators as described in the School's Performance Framework.

(b) UFARS and MARSS. The School will utilize generally accepted accounting procedures and practices for interacting with the UFARS financial accounting system, MARSS student accounting requirements, and any other State mandated accounting systems.

(c) Audits. The School will comply with the same financial audits, audit procedures, and audit requirements of School districts required in Minn. Stat. §123B.75-83. The School will be audited annually by a public accounting firm hired by the Charter School Board and the annual audit will be submitted to the Department no later than December 31 of each year or as provided by statute or the commissioner. The School will make available for review by the Authorizer all financial records at such times as requested by the Authorizer. An electronic copy of the audit report and auditor's management letter will be submitted to the Authorizer within 2 weeks of receiving such documents from the auditor, no later than December 31.

(d) Significant Agreements. Terms of Agreements with Third-party Educational or Operational Service Providers and any other contracts or agreements that create significant relationships or effect on the School will be shared with Authorizer and comply with the NEO Policy for Authorizing Schools Contracting with Charter Management Organizations or External Service Providers, together referred to as "Service Providers" (see .

(e) Creditors. The School will pay all creditors within 30 days of receipt on an outstanding invoice, pursuant to the State's prompt payment law, Minnesota Statutes 16A.124. If the School has any payments to creditors for which there is an outstanding liability of over 90 days, the School will provide the Authorizer a written statement explaining the reasons for the delay and a proposal for payment of the outstanding liability.

6.9 Transportation. Transportation for students enrolled at the School will be provided in accordance with Charter Law and all other applicable State and Federal Law.

6.10 Health and Safety

(a) The School will comply with the same health and safety requirements as a public school district.

(b) Immunization. The School will comply with Minnesota Statutes 121A.15, requiring proof of student immunization, including immunization against measles, rubella, diphtheria, tetanus, pertussis, polio, mumps, and haemophilus influenza type B and hepatitis B.

(c) Other Safety Requirements: The School will comply with applicable requirements directed by OSHA, FLSA, other Minnesota Agencies and State Departments and local government bodies. The School will prepare and implement School safety plans and drills according to State and Local Government requirements.

6.11 Human Rights. The School will comply with the Fair Labor Standards Act (FLSA) (Pub.L. 75-718) and the Minnesota Human Rights Act, Minnesota Statutes Chapter 363A, which prohibits unfair discriminatory practices in employment, public accommodations, public services, and education. The School will comply with Minn. Stat. §121A.04, which requires equal opportunity for members of both sexes to participate in School athletic programs.

6.12 Data Practices. The School will comply with Minnesota Statutes Chapter 13; Sections 120A.22, Subdivision 7; 121A.75; 260B.171, Subdivisions 3 and 5; Federal Family Educational Rights and Privacy Act (FERPA) and Health Insurance Portability and Accountability Act of 1996 (HIPAA) as applied to School practices for all records and data under the control of the School.

6.13 Student Dismissal. Student Discipline Policy and Procedures will be consistent with Minnesota Pupil Fair Dismissal Act (M.S. 121A 40-56) and adopted by the Charter School Board prior to enrolling students.

6.14 Insurance. Notwithstanding anything to the contrary in this Agreement, the School will be considered a School district for the purposes of tort liability under Minnesota Statutes Chapter 466.04. The board of directors shall obtain at least the amount of and types of insurance up to the applicable tort liability limits under chapter 466. The charter school board must submit a copy of the insurance policy to its authorizer before starting operations. The charter school board must submit changes in its insurance carrier or policy to its authorizer within 20 business days of the change. The School will comply with Minn. Stat. §124E and obtain tort liability insurance and provide the Authorizer with appropriate insurance documentation on an annual basis: (a) worker's compensation insurance to include coverage A; (b) insurance covering all of the School's real and

personal property, whether owned or leased; (c) a minimum of commercial general liability insurance in comprehensive form, bodily injury and property damage combined of one and a half million dollars (\$1,500,000) per occurrence and personal injury of one and a half million dollars (\$1,500,000) per occurrence; and up to three million dollars (\$3,000,000) per occurrence for the release or threatened release of a hazardous substance; and if not included under its general liability coverage, additional coverages as follows: minimum automobile liability insurance coverage, bodily injury and property damage of one million dollars (\$1,000,000) per occurrence if the School owns or operates motor vehicles; officer and employee errors and omissions/professional liability of one and a half million dollars (\$1,500,000) per occurrence; and employee dishonesty insurance of one hundred fifty thousand dollars (\$150,000). The insurance must be obtained from a financially responsible licensed mutual, stock, or other responsible company licensed to do business in the State of Minnesota. The School may join with other charter schools to obtain insurance if the School Board finds that such an association provides economic advantages to the School, provided that each School maintains its identity as first named insured. The School shall have a provision included in all policies requiring notice to the Authorizer, at least thirty (30) days in advance, upon termination or non-renewal of the policy. In addition, the School shall provide the Authorizer or its designees copies of all insurance policies required by this Agreement, if requested by the Authorizer. The Authorizer may periodically review the types and amounts of insurance coverages that the School secures. The above-stated coverage limits shall be issued and maintained as indemnity limits and shall not be reduced by any applicable insurer defense obligations. The Department may suggest or Applicable Law may determine alternative amounts and terms of any deductible or insurance provisions, which shall supersede the foregoing requirements. The School may expend funds for payment of the cost of participation in an accident or medical insurance program to insure protection for students while attending School or participating in a School program or activity.

- 6.15 Assumption of Liability. The School will assume full liability for its activities and indemnifies and holds harmless the Authorizer, its officers, board members, representatives, agents and employees from any suits, claims, or liability and the Education Commissioner and department officers, agents, and employees arising out of or in any manner connected with the School's operations or which are incurred as a result of the reliance of the Authorizer upon information supplied by the School, or School Board and its agents or employees, or which arise out of the failure of the School to perform its obligations under this Contract or which arise out of the Authorizer's exercise of its obligation under Applicable Law or enforcement of this Agreement. The School and Authorizer acknowledge and agree that the Authorizer, the Authorizer's Board members and employees, are immune from civil and criminal liability with respect to all activities related to the School, pursuant to the Charter Law, Minn. Stat. §124E, and nothing in this Agreement is intended to affect such immunity.
- 6.16 Location of School. The School shall have a single site at the address noted in this Agreement unless otherwise approved by the Authorizer and MDE in compliance with the Charter Law. The School shall notify the Authorizer of any plans to change location of the school prior to Board approval of the change of location.

SECTION 7. AUTHORIZER'S DUTIES.

- 7.1 Oversight and Evaluation Plan. The Authorizer will implement a plan to provide ongoing oversight and to evaluate the performance of the School to determine whether the School is complying with the terms of this Agreement and to meet its responsibilities under the law regarding Authorizers.
- 7.2 Agreement Renewal Performance Evaluation. The Authorizer will conduct evaluation of School Performance Indicators in the following areas: Educational Performance, School Climate Performance, and Operational Performance including Governance, Compliance and Financial Performance to determine contract renewal and length of contract term. The Authorizer will determine the term of the contract based on each performance area evaluated as identified in the School's Performance Framework. The criteria for terms of contract renewal are further defined in the School's Performance Framework.
- 7.3 Liaison. The Authorizer will designate a liaison for the School and will inform the School if the liaison changes. The School will notify staff, parents and stakeholders that the liaison is accessible for communication of concerns or commendations. The Authorizer will communicate how it will respond to communications from the School and its stakeholders and handle potentially negative reports. The liaison will have freedom to communicate with designated individuals and enter the School with reasonable warning and request.

SECTION 8. TERMINATION BY AUTHORIZER FOR CAUSE.

- 8.1 Authorizer Termination. The Authorizer may elect not to renew this Agreement at the end of the contract term, for cause, as defined in the Charter Law, Minn. Stat. §124E. The Authorizer also may unilaterally terminate this Agreement during the term of the Agreement, for cause, pursuant to Minn. Stat. §124E.

Grounds. The grounds for non-renewal or termination for cause under the Charter Law include:

- (1) Failure to demonstrate satisfactory academic achievement for all students, including the requirements for pupil performance contained in this Agreement;
- (2) Failure to meet generally accepted standards of fiscal management;
- (3) Violations of law; or
- (4) Other good cause shown.

Authorizer Processes and Charter School Board's Response.

- (1) Notice to School. At least 120 days before not renewing or terminating a contract, the Authorizer shall notify the Charter School's Board of Directors of the proposed action, in writing. The notice shall state the grounds for the proposed action in reasonable detail. The notice shall state that the Charter School Board may request, in writing, an informal hearing before the Authorizer within fifteen (15) business days of receiving notice of non-renewal or termination of this Agreement.

(2) Board's Response. Within fifteen (15) business days of receipt of the notice of termination or non-renewal, the Charter School Board may request an informal hearing before the Authorizer. Failure by the Charter School Board to make a written request for a hearing within the 15-day period shall be treated as acquiescence to the proposed non-renewal or termination.

(3) Schedule for Hearing. Upon receiving a timely written request for a hearing, the Authorizer shall give ten (10) business days' notice to the Charter School Board of Directors of the hearing date. The Authorizer shall conduct an informal hearing before taking final action.

(4) Authorizer Decision. The Authorizer shall take final action to renew or not renew the contract no later than 20 business days before the proposed date for terminating the contract or the end date of the contract. A copy will be filed with the Education Commissioner.

(5) Dissolution. If this Agreement is terminated or not renewed based on the criteria in paragraph 8.1(a) above, the School will be dissolved according to the applicable provisions of Minn. Stat. Chapters 317A and Minn. Stat. §124E, except when the Education Commissioner approves the decision of a different eligible Authorizer to authorize the School. See Section 9.1 below.

(6) Distribution of Property upon Dissolution. In the event of dissolution of the School, all property that has been leased, borrowed or contracted for use will be promptly returned to those organizations or individuals from which the School has obtained the materials.

(7) Property Owned By School. In the event of dissolution of the School, property purchased with federal funds must be handled according to applicable state and/or federal guidance. After all financial obligations are met the remaining property will be distributed consistent with applicable Charter School and non-profit Law.

(8) Property Owned By Teachers or Staff. All property personally and/or individually owned by licensed teachers or staff employed by the School will be exempt from distribution of property and will remain the property of the individual teachers or staff.

SECTION 9. NON-RENEWAL AND VOLUNTARY TERMINATION.

9.1 Non-Renewal and Voluntary Termination. If the Authorizer and the Charter School Board mutually agree not to renew the contract, a change in Authorizers is allowed. The Authorizer and the School board must jointly submit a written and signed letter of their intent to the commissioner to mutually not renew the contract. The charter contract between the proposed Authorizer and the School must identify and provide a plan to address any outstanding obligations from the previous contract. The proposed contract must be submitted at least 105 business days before the end of the existing charter contract. The commissioner shall have 30 business days to review and make a determination. The proposed Authorizer and the School shall have 15 business days to respond to the determination and address any issues identified by the commissioner. A final determination by the commissioner shall be made no later than 45 business days before the end of the current charter contract.

- 9.2 Information to New Authorizer. The Authorizer that is a party to the existing contract must inform the proposed Authorizer about the fiscal, operational, and student performance status of the School, as well as any outstanding contractual obligations that exist.
- 9.3 Not for Cause. The voluntary transfer of Authorizership under Section 9 of this Agreement is not considered to be a termination or non-renewal for cause as defined in Section 8 of this Agreement.
- 9.4 Dissolution. If no change in Authorizer is approved, the School and the current Authorizer may withdraw their letter of nonrenewal and enter into a new contract. If the transfer of Authorizers is not approved and the current Authorizer and the School do not withdraw their letter and enter into a new agreement, the School must be dissolved according to applicable law and the terms of this Agreement.

SECTION 10. GENERAL TERMS

- 10.1 Amendments. This Agreement may only be amended by written agreement executed by both parties. The School and/or Authorizer will provide the proposed Amendment in writing to the other party to the Agreement. The Agreement may be amended in the event of changes to assessments upon which the Agreement goals are based, any material changes such as those to the education program model, change in physical location including site expansions, change in contract term, a change in grade levels served, a significant difference in student baseline data for new Schools, revisions to policies that are incorporated into the Agreement, and any other reason that results in misalignment of the Agreement and the School conditions agreed upon by both the Authorizer and the School. The recipient of the proposed Amendment will have at least one month to review and comment in response. The revised contract will be signed by the Authorizer and Charter School Board chair and submitted to MDE within 10 days of the completion of signatures of both parties. Contracts may be amended to align with most current statute or MDE requirement at any time with due notification only.
- 10.2 Authorizer Authority. Except as otherwise provided by this Agreement or Applicable Law, the Authorizer has no authority, control, power, or administrative or financial responsibility over the School. This provision does not prohibit the parties from contracting for any services deemed appropriate in the future as provided for in Minnesota Statute 124E. The relationship between the School and the Authorizer is based solely on the applicable provisions of the Charter School Law and the terms of this Contract and other written contracts and written agreements between the Authorizer and the School. Except as otherwise provided in this Agreement, the Authorizer shall have no authority or control, over operational, administrative, or financial responsibility for the School.
- 10.3 Financial Obligations Are Separate. Any contract, mortgage, loan or other instrument of indebtedness entered into by the School and a third party shall not in any way constitute an obligation, either general, special, or moral of the Authorizer. The School will never pledge the full faith and credit of the Authorizer for the payment of any School contract, mortgage, loan or other instrument of indebtedness. Any contract, mortgage, loan or other instrument of indebtedness entered into by the Authorizer and a third party shall not in any way constitute an obligation, either general, special, or moral, of the School. The

Authorizer will never pledge the full faith and credit of the School for the payment of any Authorizer contract, mortgage, loan or other instrument of indebtedness.

- 10.4 No Authority to Obligate or Bind Other Party. The School has no authority whatsoever to enter into any contract or other agreement that would financially obligate the Authorizer, nor does the School have any authority whatsoever to make any representations to lenders or third parties, that the Authorizer in any way guarantees, is financially obligated, or is in any way responsible for any contract, mortgage, loan or other instrument of indebtedness entered into by the School. The Authorizer has no authority whatsoever to enter into any contract or other agreement that would financially obligate the School, nor does the Authorizer have any authority whatsoever to make any representations to lenders or third parties, that the School in any way guarantees, is financially obligated, or is in any way responsible for any contract, mortgage, loan or other instrument of indebtedness entered into by the Authorizer.
- 10.4 The School may not use the Authorizer's name or any assumed name, trademark, division or affiliation of the Authorizer in any of the School's promotional advertising, contracts, or other materials without the Authorizer's prior written consent, except that the School may include the following statement in such materials, "[Name of School] is authorized by [Name of Authorizer]."
- 10.5 The School agrees not to sue the Authorizer or any of its representatives for any disputes that may arise under this Agreement. The School and Authorizer agree to submit any such legal disputes to binding arbitration. If the parties cannot agree to an arbiter, then the American Arbitration Association shall appoint an arbiter.
- 10.6 Agreement Language. In the event that there is an inconsistency or dispute between the provisions in the Affidavit and this Agreement, the provisions of this Agreement shall be followed.
- 10.7 Non-agency. It is understood that the School is not the agent of the Authorizer.
- 10.8 Assignment. This Agreement cannot be assigned to any other party but remains the exclusive agreement between the Authorizer and School under approval by the Department.
- 10.9 Successors. The terms and provisions of this Agreement are binding on and shall inure to the benefit of the parties and their respective successors.
- 10.10 Merger. Upon the condition that a merger between two Schools or two Authorizers is proposed and approved by appropriate State authorities and processes, this agreement must be amended to reflect all material changes and then resubmitted to the appropriate State agency or agencies for appropriate action.

10.11 Severability. If any provision in this Agreement is held to be invalid or unenforceable, it will be ineffective only to the extent of the invalidity, without affecting or impairing the validity and enforceability of the remainder of the Agreement.

10.12 General Compliance and Assurances. The School and the Authorizer agree to comply with all applicable laws including, but not limited to, the Charter Law. In addition, the School and the Authorizer assure that they are eligible entities under the Charter Law.

10.13 Authority of Signatories: The signatories below represent that they have the authority to bind the School to full compliance with this Agreement.

[AUTHORIZER]

[SCHOOL]

By:

By:

Signature

Signature

Print Name

Print Name

Title

Title

Date:

ADDENDUM TO THE CONTRACT

Minnesota Statute 124E, addresses charter contract requirements. A charter contract must be in writing and contain at least the following elements:

Charter contract. The authorization for a charter school must be in the form of a written contract signed by the Authorizer and the board of directors of the charter school. The contract must be completed within forty-five (45) business days of the commissioner's approval of the Authorizer's affidavit. The Authorizer shall submit to the commissioner a copy of the signed charter contract within ten (10) business days of its execution.

(1) A declaration that the School will carry out the primary purpose in section 124E.01, subdivision 1 (improve all pupil learning and all student achievement), and how the School will report its implementation of the primary purpose.

The primary purpose of Achieve Language Academy is to improve all student achievement and all pupil learning.

(2) A declaration of the additional purpose or purposes in section 124E.01, subdivision 1, that the School intends to carry out and how the School will report its implementation of those purposes.

(3) A description of the School program and the specific academic and nonacademic outcomes that pupils must achieve.

(4) A statement of admission policies and procedures.

(5) A governance, management, and administration plan for the School.

(6) Signed agreements from Charter School Board members to comply with all federal and state laws governing organizational, programmatic, and financial requirements applicable to charter schools.

(7) The criteria, processes, and procedures that the Authorizer will use to monitor and evaluate the fiscal, operational, and academic performance consistent with subdivision 3, paragraphs (a) and (b).

NEO Oversight Plan for Operating Schools

The NEO Oversight Plan serves as a template for all charter schools authorized by NEO. If necessary, this plan may be amended and adapted for specific charter schools. NEO's ongoing oversight of authorized schools will include the following activities:

Student/School Academic Performance

- NEO will review the school academic performance with school leader(s) at a formal site visit at each NEO authorized school using the School's Performance Framework.
- NEO will review, summarize, and use the school academic performance data that MDE reports, including LEA level data for Authorizers to monitor and evaluate progress.
- NEO will publish an Annual Report that includes academic performance data of NEO authorized schools, including areas of strength and improvement.

- NEO will facilitate sharing of effective practices by conducting at least one informal site visit, "learning walk", at each NEO authorized school focused on main strategies for improving student learning and indicators of successful implementation.

Climate

- NEO will review the school climate performance with school leader(s) at a formal site visit at each NEO authorized school using the School's Performance Framework and NEO's Annual Report.
- NEO will publish an Annual Report that includes climate performance data of NEO authorized schools, including attendance and mobility.
- NEO will facilitate sharing of effective practices by conducting at least one informal site visit, "learning walk", at each NEO authorized school focused on main strategies for improving student learning and indicators of successful implementation.

Compliance/Governance

- NEO will attend at least two charter school board meetings annually and provide feedback to the school on compliance as well as provide observations and questions for the board to consider in their process of continuous improvement using the Governance Monitoring Report.
- NEO will collect and review board meeting documents including minutes and policy revisions as well as all other required documents using the Compliance Monitoring Report for the purpose of monitoring and evaluating compliance and to provide feedback for continuous improvement.
- NEO will review school compliance with required state reporting deadlines and identify any areas where NEO has concerns based on the provisions of the Contract Agreement.

Financial

- NEO will collect and review school financials via Epicenter for the purpose of monitoring and evaluating compliance and providing feedback for continuous improvement.
- NEO will review the annual budget of the school and provide comment as necessary.
- NEO will review the school's Annual Financial Audit and identify any areas where NEO has concerns based on the provisions of the Contract Agreement and applicable law.
- NEO will use the NEO Stewardship Award in Finance to recognize and identify exemplary school performance to facilitate sharing of effective practices.

Ongoing, Consistent, and Robust Monitoring and Evaluation

Novation Education Opportunities (NEO), as the authorizing entity, will conduct at least two site visits to each NEO authorized school. One site visit will be an informal site visit, a "learning walk", for the purpose of identifying and facilitating sharing of effective practices. The other site visit will be a formal site visit, either for the purpose of reviewing and verifying school performance for contract renewal, or for reviewing and verifying school performance for performance monitoring. NEO staff and/or NEO Advisors who are experts in overseeing, monitoring and evaluating academics, operations, governance, and finance will be conduct the site visits. The formal site visit will include review of previously requested documents that have

not been uploaded to Epicenter to verify compliance. NEO will contact school administration at least one month in advance of the site visit to make arrangements for visiting the school with minimal disruption of its operations.

Two weeks prior to the formal site visit, NEO will provide the Performance Framework Monitoring Report or the Performance Framework Evaluation Report to the school's administration. School administration will then have two weeks to review the Performance Framework Monitoring Report, with the opportunity to comment on each area. NEO will resolve any discrepancies in information with the school. The Performance Framework Monitoring or Evaluation Report will give the school leadership and NEO feedback on school progress toward meeting the authorizer-school contract terms including the Performance Framework standards and targets. NEO will also review the Governance Monitoring Reports and Compliance Monitoring Report at the formal site visit.

The School's Performance Framework is incorporated into the school's contract with NEO and defines clear, measurable and attainable academic, operational and financial performance standards, measures, metrics, targets and weightings. The targets in the Performance Framework are finalized using the most updated school performance baseline data available at the beginning of each contract term.

The Performance Framework is designed to achieve at least one outcome that meets or exceeds expectations adopted by the commissioner for public school students (World's Best Work Force) per Minnesota Statutes.

The Performance Framework must include a growth measure and target for students below grade level making high growth and students at or above grade level making medium or high growth. The school may use the state assessment growth data or growth data from another assessment such as the NWEA MAP.

Because the purpose of the school is to improve all pupil learning and all student achievement and therefore should provide a better option to students in the area served, the Performance Framework must also include the following standard academic performance measures in English Language Arts and Mathematics:

- 1) For a satisfactory rating, the percent of students enrolled by October 1 meeting or exceeding standards (scoring proficient) will exceed the state for the All, English Learner, Special Education and Free/Reduced Meal NCLB student subgroups where data is available.
- 2) For a satisfactory rating, the percent of students enrolled by October 1 meeting or exceeding standards (scoring proficient) will exceed the resident district for the All, English Learner, Special Education and Free/Reduced Meal NCLB student subgroups where data is available. The resident district is defined as the district in which the greatest percent of students enrolled reside.

The Contract Renewal Framework may also include additional academic performance measures that the school and authorizer mutually agree to include.

Clear Climate, Compliance, and Finance Standards

Other measurable performance standards and quantifiable targets for the operational period under the initial charter contract are to be mutually agreed upon between the authorizer and the school and incorporated into the Performance Framework in the areas of Climate, Compliance, and Finance.

Ratings

There are three levels of ratings: not satisfactory, satisfactory and exemplary.

The Performance Framework defines performance requirements for each level. The rating scale is 0 –2 (zero through two).

For each measure, a school earns 2 (two) points for exemplary performance, 1 (one) point for satisfactory performance, and 0 (zero) points if performance is not satisfactory.

Weighting of Performance Measures

The measures of Academic Performance are weighted equally by default. The school may propose that certain measures be weighted more than others. The school must submit a proposal that includes a rationale and any supporting information for changes in weighting to the NEO Executive Director at the time of contract negotiations. For example, a school may request that the NWEA MAP growth results be weighted more than the results of the MN State Assessments because all students take the NWEA MAP and because the NWEA MAP provides more valid, reliable and consistent results over time.

However, the Academic Performance measures must be weighted more than 50% of the total points of all performance areas including Climate, Compliance, and Financial Performance because the primary purpose of the school is to improve all pupil learning and all student achievement. At the beginning of the contract term the weightings are finalized and are not revised during the term of the contract.

The Executive Director will present the proposal to the NEO Board of Directors and make a recommendation. The NEO Board makes the final decision to enter into or revise contract agreements.

Implementation Guide

NEO and the school will create an implementation guide with specifications for collecting, sharing and reporting all source data used in the Contract Renewal Framework evaluation as well as a process for verification of all school reported data to ensure that the method of data collection remains valid and consistent during the term of the contract.

Combining Data Over the Contract Term

Annual school performance results will be combined each successive year of the contract term wherever possible so that fluctuation due to small group size will be minimized.

Contract Revisions

The contract revisions must be finalized by December 31st of the first year that the contract is executed so that there is time to analyze the baseline data either from the prior year, or in the case of a new school, the fall.

Once finalized, the terms of the contract can only be revised if a measure is no longer available or changes, and/or if there is another condition which prevents the school from effectively using that measure of performance. The proposed revision must be submitted in writing along with a rationale for the revision and any supporting information to the NEO Executive Director. The Executive Director will present the proposed revision to the NEO Board of Directors and make a recommendation. The NEO Board makes the final decision to revise contract agreements.

NEO and a charter school may revise the contract for the following material contract changes when applicable:

- A change in address of the school
- A change in contract term
- A significant change to the program such as a site and/or grade level expansion
- A significant change to the education program such as incorporating a STEM focus or other focus that was not part of the original charter
- A significant difference in student achievement baseline data from initial assumptions a new school use to set academic performance goals
- A significant change in the state testing that makes current academic performance goals irrelevant
- A significant change to the NEO Renewal Framework Performance Indicator(s)
- Revision to any policy included in the contract
- Any other reason that results in misalignment of the contract and the school conditions agreed upon by both authorizer and charter school

The school must request the revision in writing and email the revision request in pdf format to the NEO Executive Director.

The school must provide a clear justification for the revision as it relates to one of the reasons noted in this procedure.

The NEO Executive Director will present the request for the revision to the NEO board for consideration.

If the NEO Board approves the revision, the revised contract will be signed and dated by both parties, and the revised contract will be submitted to MDE within 10 days.

Contract Renewal Eligibility

NEO schools must achieve at least a Satisfactory Rating (50% of points possible) in the Performance Framework overall and in each performance area (Academic, Climate, Compliance, Finance) to be eligible for a three-year contract renewal and at least an Exemplary Rating (70% of points possible) in the Performance Framework overall to be eligible for a five-year contract renewal.

All contract renewals will be for either three or five years. Fewer than three years does not provide enough information on which to make a renewal decision.

Intervention and Corrective Action

NEO schools that prior to their year of contract renewal fall below a Satisfactory Rating in the Performance Framework overall and/or in any performance area (Academic, Climate, Compliance, Finance) must enter into a Continuous Improvement Plan that addresses the specific standards in the Performance Framework where the school performance is below Satisfactory. This plan may be the same plan required by the state accountability system.

Closure Plan

If the school does not meet the terms of the Improvement Plan and attain a Satisfactory Rating by the end of the contract term, the school is a candidate for nonrenewal. If the school's contract is not renewed, the school must implement the Closure Plan as described in the school's contract with NEO.

(8) The performance evaluation that is a prerequisite for reviewing a charter contract (the School's Performance Framework will serve as the performance evaluation);

(9) Types and amounts of insurance liability coverage to be obtained by the School, consistent with 124E.03, subdivision 2, paragraph (d). See 6.14 of this Agreement.

(10) Consistent with section 124E.09, paragraph (d), a provision to indemnify and hold harmless the Authorizer and its officers, agents, and employees from any suit, claim, or liability arising from any operation of the School, and the commissioner and department officers, agents, and employees notwithstanding section 3.736. See Section 6.15 of this Agreement.

(11) The term of the initial contract, which may be up to five years plus an additional preoperational planning year, and up to five years for a renewed contract or a contract with a new Authorizer after a transfer of Authorizers, if warranted by the School's academic, financial, and operational performance.

(12) How the board of directors or the operators of the School will provide special instruction and services for children with a disability under Minnesota Statutes, sections 125A.03 to 125A.24, and 125A.65, a description of the financial parameters within which the School will operate to provide the special instruction and services to children with a disability.

(13) The specific conditions for contract renewal that identify performance under the primary purpose of section 124E.01, subdivision 1 (improve pupil learning and student achievement), as the most important factor in determining contract renewal.

(14) The additional purposes under section 124E.01, subdivision 1, paragraph (a), and related performance obligations under clause (7) contained in the charter contract as additional factors in determining contract renewal.

(15) The plan for an orderly closing of the School under chapter 317A, whether the closure is a termination for cause, a voluntary termination, or a nonrenewal of the contract, that includes establishing the responsibilities of the School board of directors and the Authorizer and notifying the commissioner, Authorizer, School district in which the School is located, and parents of enrolled students about the closure, information and assistance sufficient to enable the student to reenroll in another School, the transfer of student records under section 124E.03, subdivision 5, paragraph (b), and procedures for closing financial operations.

School Closure Plan

This School Closure Plan provides a starting point for coordinating the process of closing a School. The closure of any School authorized by NEO will be carried out with attention to all applicable state and federal laws, and in consultation with the Minnesota Department of Education. The School must provide sufficient information and assistance enabling students to enroll in another School in the event of a closure. The School must create a plan including responsible party, timeline for completion for all of the following necessary actions. The School's board must adopt the School wind up plan within 20 days of notification of closure and the plan must be updated at least twice per month. Priority should be given to continuing the School's educational program through the end of the charter termination and retaining funds to complete the wind up process.

The Authorizer will oversee and monitor the implementation of this School closure plan, including collection of all required documents and required reporting.

Name of School:	Address:
Date of Closing:	School contact person(s) to send and receive communication:

	Responsible Party	Timeline for Completion	Actual Completion	Status
Students and Families				
Notify parents of the coming closure: Parents or legal guardians of all students enrolled should be notified as soon as the decision is made to close the School. The notice should include the School's plans to help students identify and transition into a new School. The notice should include 1) the date of the last day of regular instruction, 2) information and offer of assistance sufficient to enable the student to reenroll in another School, 3) a list of and contact information for the charter, public and private Schools in the area, and 4) the date of optional School fair coordinated by the School with representatives of area Schools. Provide the Authorizer with a copy of the notice.				
Continue current instructional program as specified in the School's charter, including administration of state-mandated assessments.				

	Responsible Party	Timeline for Completion	Actual Completion	Status
Within 7 days after the end of classes, provide parents/guardians with copies of final report cards and notice of where student records will be sent and specific contact information. The notice must advise the parent/guardian to contact the School where the student intends to enroll and to have the student's new School contact the School's district of location to have the student's educational records transferred to the new School. The student records must be sent to the student's new School upon the new School's request. After the School closes, and unless the student's records are requested by another School, the remaining student records will be sent to each student's School district of residence. The School will provide the Authorizer with a copy of the notice.				
Transfer pupil records and testing materials to students' resident districts. If the parents do not request transfer of records to a specific School, student records must be sent to the student's resident district. All end of year grades and evaluations must be completed and made part of the student records, including any IEP/Committee on Special Education meetings/progress reports. Testing material, including scores, test booklets, etc. required to be maintained by the School must also be forwarded to the new School.				

	Responsible Party	Timeline for Completion	Actual Completion	Status
No later than 10 business days after the School closes, send student records to the new School including 1) Individualized Education Programs and all records regarding special education and supplemental services, 2) student health and immunization records, 3) attendance records, 4) grades, and 5) assessments/testing information, 6) credits earned, 7) MARSS numbers, and all other student records. If a student's record contains formal disciplinary records, provide notice to the student and student's parent/guardian that the records will be transferred as part of the student's educational record. This requires an individual file by file review. To the extent that scores will come into existence after the end of classes, arrangements must be made with the testing agent to forward such material to the new School.				
Staff				
Provide contact information, and list of employees/School Board members and correspondent responsibilities to the Authorizer.				
Terminate any contracts and cancel any programs extending beyond the charter termination.				
Pay state and federal payroll taxes; pay all TRA and PERA dues.				
Coordinate termination of insurance benefits.				
Provide letters of recommendation for staff.				
Pay Staff through last day of employment.				
Financial and Legal				
Create an escrow account to cover closure costs. Segregate by School Board resolution in a separate checking account up to \$50,000 in funds to be used for legal, accounting, and other expenses to dissolve the School.				

	Responsible Party	Timeline for Completion	Actual Completion	Status
Reconcile final General Education Aid amount.				
Track all Special Education expenditures (Sp.Ed. information required during a School closure is essentially the same information that would be required during a Special Ed. Fiscal Monitoring visit).				
Track expense information (save all invoices) for federal Planning Grant; coordinate grant wrap-up with MDE liaison including submission of final Expenditure Report.				
Notify the landlord that during the wind-up of the School's affairs, it is anticipated that the School Board will use the School Facility, and access thereto should be maintained, even if only by advance notice in order to access assets, etc. In the event that the landlord sells or rents the School Facility before the winding up of the School's affairs, the School must relocate its business records and remaining assets to a location with operational telephone service and voice message capability, and maintain custody of business records until all business and transactions are completed, and the School corporation dissolved. Reconcile final Lease Aid amount.				
Examine contracts with vendors and arrange for their termination – seek to fulfill contractual requirements to the greatest extent possible given the School's resources. Retain records of past contracts with proof that they were fully paid. Telephone, gas, electric, water, insurance for example should remain operative through the end of classes and to the extent necessary to wind up the School's affairs beyond that time.				

	Responsible Party	Timeline for Completion	Actual Completion	Status
Ensure safe-keeping of the School's physical assets, financial assets, and the facility during the shutdown process. Auction/sell assets in a manner that avoids conflicts of interests. Protect assets against theft, misappropriation and deterioration. Maintain insurance as until final dissolution. No later than 30 days prior to the end of classes, all of the School's assets must be inventoried. Provide the Authorizer with a copy of the inventory and separately identify assets purchased with federal grant dollars and owned by any entity other than the School.				
Formulate list of creditors and debtors and any amounts accrued and unpaid. Provide this list to the Authorizer. Solicit from each creditor a final accounting of the School's accrued and unpaid debt. Negotiate a settlement of debts. Within thirty (30) days the School must contact all debtors and demand payment. Debtors include persons who owe the School fees or credits and any person holding property of the School.				
The School must reconcile its billings and payments with the districts, including special education payments.				
Provide for disposal of the School's assets according to statutes 308A or 317A.				
Liquidate or close bank accounts according to schedule that minimizes fees but leaves the School enough flexibility to pay creditors, attorneys, accountants, and for final audit and dissolution. Cancel corporate credit cards and lines of credit. Change authorized signatures on accounts as needed.				
File final tax returns and reports.				
Arrange for final audit. File as requested by Minn. Stat 124D.10.				
Close out all State and Federal grants.				

	Responsible Party	Timeline for Completion	Actual Completion	Status
All liabilities and obligations of the School must be paid and discharged to the extent of the School's assets. Assets received and held by the School subject to limitations permitting their use only for charitable, benevolent, educational, or similar purposes, but not held upon condition requiring return or with specific disposition instructions, shall be held until dissolution and transferred or conveyed to one or more charter schools. An itemized receipt must be obtained from each recipient of an asset containing name, address and telephone number of the recipient. In closing out any federal grant and accounting for federal grant funds, property owned by the federal government or property acquired under a federal grant must be distributed in accordance with federal regulations.				
Notifications and Miscellaneous				
Notify the Minnesota Department of Education and the Commissioner and schedule the MDE audit, as applicable.				
After an employee termination date is established, notify all employees of termination of employment and/or contracts, and notify benefit providers of pending termination of all employees. Notify employees and providers of termination of all benefit programs, and, if allowable, terminate all programs as of the last date of service in accordance with Applicable Law and regulations (i.e. COBRA), including healthcare, health insurance, life insurance, dental plans, eyeglass plans, cafeteria plans, teacher retirement plans and other.				

	Responsible Party	Timeline for Completion	Actual Completion	Status
Notify employees of eligibility for Minnesota Unemployment Insurance pursuant to any applicable law and regulations. In the event that the School has not paid into the unemployment program on an ongoing basis, the School may have significant financial liability on an ongoing basis after the end of classes, and additional reserve funds should be set aside.				
Notify the local School district of the closure, including 1) the closure date, 2) students that they will be getting, 3) a phone number/contact person to call for records, and 4) notification regarding cessation and transportation services if applicable. Provide the Authorizer with a copy of the notice.				
Within 30 days, formulate a list of all contractors with contracts in effect; the list should briefly describe the service and whether any property such as the photocopier is related to the contract. Notify the contractors regarding cessation of School operations. If applicable, instruct contractors to make arrangements to remove any contractor property from the School facility by a date certain. Provide the Authorizer with a copy of the notice.				
As required by the contractual notice requirements, cancel School district or private transportation services.				
Notify the local media of the School closure – communicate proactively and attending to the positive aspects of the charter school movement as well as the specific circumstances leading to this School's closure				
Notify the Offices of the Minnesota Secretary of State and Attorney General				

	Responsible Party	Timeline for Completion	Actual Completion	Status
Notify the IRS of the dissolution of the education corporation and its 501(C)(3) status and any address change of the School contact, and file required tax returns and reports.				
Interim and Final Statements of Notification to Authorizer: No later than 10 days after the end of classes, prepare and submit to the Authorizer the status of all contracts and other obligations of the School and all funds including principal and accrued interest, owed to, and by, the School Corporation, with supporting evidence showing 1) all creditors and any amounts paid to them, 2) any amounts of debt, 3) all amounts owed to School by debtors, 3) all income generated through sale and auction of assets. No later than 10 days prior to filing of a dissolution proceeding, the School must provide a final statement to the Authorizer with all of the above information.				
The School Board must follow the dissolution provisions provided by Applicable Law. The Board must adopt an intent to dissolve resolution which includes the plan of dissolution, secure any required affirmation/approvals, file notice of intent to dissolve with the Minnesota Secretary of State and the Minnesota Attorney General's office, publish notice for unknown creditors and provide written notice to known, distribute assets. The Board must approve the Articles of Dissolution and file them with the Secretary of State as well as provide a copy to the Authorizer.				

(16) The agreed-upon Authorizer fee structure (Minn. Stat. § 124E).

The fee charged by the Authorizer to the School shall be the maximum allowable under Minn. Stat. §124E.

(17) The Charter School Board membership roster.

Board Member	Position	Seat

(18) Copy of School's Certificate of Incorporation issued by the Minnesota Secretary of State's Office.

(19) Copy of School's Articles of Incorporation stamped by the Minnesota Secretary of State's Office.

(20) Copy of the School's (signed) bylaws adopted and approved by the School's board of directors.

(21) If Applicable, the signed agreement to comply with the NEO Policy for Authorizing Schools Contracting with Charter Management Organizations or External Service Providers as follows.

NEO Requirements for Authorized Schools Contracting with Service Providers

As the entities responsible to the public for overseeing the performance of charter schools ("Charter School"), authorizers must hold charter school boards accountable for ensuring a quality education at the schools they govern. If a school relies on an external service provider to implement key terms of the charter between the authorizer and the school, the provider's effectiveness is critical to the school's ability to perform as described in the charter. Thus, it is essential for authorizers to adequately review and oversee a school's relationship with its external service provider.

NEO adopts the following Comprehensive Management Services Policy into the agreements with schools that propose working with an external service provider, charter management organization, and/or education management organization (each, a "Service Provider").

Comprehensive Management Services

In the event a Charter School intends to contract with a Service Provider for comprehensive school management or operations services ("Service Contract"), all of the following requirements must be met by the Charter School:

1. NEO and the Charter School will interview prospective Service Providers that the Applicant proposes engaging and question them as part of the charter application process.
2. The Contractual Agreement between the Authorizer and the Charter School has primacy over the Service Contract.
3. The Charter School governing board contracting with a Service Provider shall hire the Charter School Attorney, Accountant and Audit Firm to represent the Charter School.
4. NEO shall review the proposed Service Contract before it is approved by the Charter School board.
5. NEO shall review all material Service Contract amendments as well as new or renewed Service Contracts before the Charter School board's approval.
6. The Service Contract, new or renewed, and all material contract amendments shall be submitted to NEO no later than thirty (30) days prior to the effective date. If NEO determines that the Service Contract does not comply with the NEO required provisions set forth below, or that entering into the Service Contract would otherwise be a violation of the conditions set forth below, the Charter School Agreement, or the Charter School Law, then NEO shall notify the Charter School within twenty (20) days, stating with particularity the grounds for its objections. In such event, the Charter School shall not enter into the Service Contract unless and until the deficiencies noted by NEO have been remedied to NEO's reasonable satisfaction.
7. No staff of the Service Provider or its Affiliate may serve on the Charter School board.
8. All school funds will be deposited to an account controlled by the Charter School board.
9. The Charter School will not lease a facility from the Service Provider.

Required Service Contract Provisions

- (1) Generally the draft Service Contract should clearly and specifically define the Service Provider's proposed role and responsibilities, payment structure, property ownership, methods for performance evaluation, and termination and renewal procedures.
- (2) Roles and Responsibilities: allocation of responsibilities between the parties in areas such as financial management; personnel including who has the responsibility of hiring and firing; charter

performance and compliance; educational, operational and policy decision-making; requirements to attend board meetings and community events; and any areas where the governing board has non-delegable legal responsibilities (e.g., adopting an annual budget);

(3) Contract Duration, Renewal and Termination: assurance that a governing board has the right and ability, if necessary, to terminate a contract in a timely manner if it is in the school's interest with contracts either for no longer than two (2) years or with a termination right wherein the Charter School may terminate for any reason on at least one hundred and twenty (120) business day written notice

(4) Performance Oversight and Evaluation: description of clear methods and standards that will guide the governing board in overseeing and evaluating the Service Provider; and provide for a right to terminate by the Charter School on no less than one hundred and twenty (120) business day notice if those standards are not met;

The Service Contract shall require that the Service Provider furnish the Charter School with all information deemed necessary by the Charter School or the Board for the proper completion of the budget, quarterly reports, or Financial Audits, required under Section 6 of the Charter School Agreement.

The Service Contract shall provide that all financial reports provided or prepared by the Service Provider shall be presented in a nonprofit format approved by the Charter School as meeting requirements in the state.

The Service Contract shall provide that all employees or contractors of the Service Provider who have direct, daily contact with students of the Charter School shall be subject to the criminal background check requirements contained the Education Code to the same extent as employees of the Charter School.

The Service Contract shall contain provisions requiring compliance with all requirements, terms and conditions established by any Federal or State funding source.

(5) Compensation and Finances: identification of how and how much a Service Provider will be compensated for its services, and what role a management service provider will play in developing budgets and managing finances;

Budget. The annual budget prepared by the Charter School shall include, without limitation, the following itemized information:

- i. All revenue anticipated by the Service Provider to be received from the Charter School.
- ii. All expenses and anticipated expenses associated with the operation and management by the Service Provider of the Charter School.
- iii. All expenses associated with the operation of the governing board of the Charter School, including without limitation personnel, occupancy and travel expenses, if any, and provided that in the event that

these expenses are not paid out of expenses received from or through the Board, such expenses shall not be required to be separately itemized hereunder.

iv. All contract payments, lease payments, management fees, administrative fees, licensing fees, expenses and other amounts paid to the Service Provider or otherwise paid for the products and services to be delivered under the Service Provider Contract by the Charter School.

v. All loan repayments for any loans made to the Charter School by the Service Provider, including separate line items for interest, principal and premium, if any, on such loan repayments.

vi. All investments in the Charter School by the Service Provider, including the expected returns on equity for such investments.

vii. An itemized accounting of all amounts paid to the Service Provider or otherwise paid for the Contract Services, which amounts shall be itemized in a manner that clearly corresponds with those categories provided in the Charter School's annual budget or the Service Contract.

viii. The Financial Audits required of the Charter School Agreement shall include review of all fees and payments made by the Charter School to the Service Provider.

ix. All loans to, or investments in, the Charter School by the Service Provider must be evidenced by appropriate documentation, either in the contract between the Charter School and the Service Provider, or through separate agreements. In the case of investments, such documentation shall explain how the investment shall be treated on the books of the Charter School.

(6) Intellectual and Physical Property: clarification of ownership of instructional materials developed at the school using public funds, and of physical property obtained to operate the school; all agreements must allow for the continued use of any instructional materials for twelve (12) months after termination for a reasonable fee; and

(7) Contingency Planning for Terminated Contracts: assurance of a smooth transition in the event that a service relationship is terminated, including the transfer of school records and property at no cost to the Charter School.

The Service Contract shall be terminable by the Charter School, in accordance with its bylaws or other established termination procedures, (A) upon material default by the Service Provider that is not remedied, including without limitation any act or omission of the Service Provider that causes a material default under the Charter School Agreement or that causes the Charter School to be in material violation of the Charter Schools Law that is not remedied, or (B) for other good cause as agreed by the Charter School and the Service Provider.

The NEO Board and the charter school board may negotiate specific terms of the provisions.