

**SUBJECT**

Proposed PCSC Performance Certificate

**APPLICABLE STATUTE, RULE, OR POLICY**

I.C. §33-5202A(4)

I.C. §33-5205B

I.C. §33-5209A

**BACKGROUND**

Idaho's 2013 charter school legislation contains a new provision requiring that all public charter schools and their authorizers sign Performance Certificates. Performance Certificates replace charters as the documents to which authorizers must hold schools accountable, and must contain the following information:

- The term of the Performance Certificate (3 years for new schools, and 5 years thereafter);
- The Academic and Operational performance expectations and measures by which the public charter school will be judged, including, but not limited to, applicable federal and state accountability requirements; and
- The administrative relationship between the authorizer and the school, including each party's rights and duties.

Performance Certificates for all existing PCSC-authorized charter schools must be executed no later than July 1, 2014. Performance Certificates for new public charter schools must be executed within 75 days of approval.

At the June 13, 2013, and August 15, 2013, PCSC meetings, the PCSC considered drafts of a Performance Certificate consisting of largely boilerplate language but containing some sections to be individualized for each school. The Certificate was based on PCSC staff research encompassing NACSA's model charter contract and the contracts used by a number of states that were given high marks regarding performance contracts in the National Alliance for Public Charter Schools' 2013 Charter Law Rankings Database.

PCSC staff facilitated roundtable discussions with stakeholders on May 23, 2013; July 9, 2013; August 5, 2013; and August 26, 2013 to solicit feedback from stakeholders regarding the Performance Certificate drafts. Additionally, stakeholders were invited to contact the PCSC office with written or verbal comments regarding the drafts, which were posted on the PCSC website from June 6, 2013, to the present. Opportunity for public comment was provided during the two, regular PCSC meetings during which drafts were discussed.

**DISCUSSION**

The proposed Performance Certificate included with these materials incorporates both PCSC and stakeholder input. A document outlining the revisions made since the August 15, 2013, PCSC meeting is also included.

During the final roundtable meeting with stakeholders, no outstanding concerns regarding the proposed Performance Certificate were raised.

The PCSC previously agreed to begin considering schools for renewal in March 2016, beginning with 1-Star schools. However, new information from the State Department of Education indicates that Star rating data will not be calculated for the 2013-2014 school year. As a result, any renewal decisions made in March 2016 would be based on only one consecutive year of data. The revised renewal schedule included with these materials places the first renewal decisions in March 2017. This ensures that no school will be considered for renewal or non-renewal without at least two, consecutive years of data.

**IMPACT**

If the proposed Performance Certificate is adopted by the PCSC, it will serve as a template for all PCSC-authorized schools' Certificates. Staff will begin working with schools on the individualized sections of the Certificate.

**STAFF COMMENTS AND RECOMMENDATIONS**

Staff recommends that the PCSC adopt the proposed Performance Certificate.

**COMMISSION ACTION**

A motion to adopt the proposed Performance Certificate as submitted.

OR

A motion to adopt the proposed Performance Certificate with the following modifications: \_\_\_\_\_.

Moved by \_\_\_\_\_ Seconded by \_\_\_\_\_ Carried Yes \_\_\_\_\_ No \_\_\_\_\_

**RENEWAL SCHEDULE FOR PCSC-AUTHORIZED SCHOOLS**

Statute requires that the performance certificates for existing schools ensure all schools will be evaluated for renewal or nonrenewal between March 2016 and March 2019. The PCSC will schedule initial renewal considerations for the existing schools it authorizes based on their 2013 Star ratings. In order to protect taxpayer interests, lower scoring schools will be considered first. However, all schools will receive at least two, annual reports from the PCSC prior to the year in which they will be considered for renewal or non-renewal, permitting ample time to correct any shortcomings.

In accordance with statute, new schools will receive performance certificates with an initial term of three years, and will be added to this schedule accordingly.

**March 2017**

School	2013 Star Rating	2012 Star Rating	Opening Year	Age at Renewal
Heritage Academy	1	1	2011	6
iSucceed Virtual High School (iSVHS)	1	1	2008	9
Kootenai Bridge Academy (KBA)	1	1	2009	8
Wings Charter Middle School (WCMS)	1	1	2009	8
Idaho Connects Online (ICON)	2	1	2009	8
Another Choice Virtual School (ACVS)	2	1	2010	7
Richard McKenna Charter High School	1 / 3	3	2002	15
American Heritage Charter School (AHCS)	N/A	N/A	2013	4
Chief Tahgee Elementary Academy (CTEA)	N/A	N/A	2013	4
Odyssey Charter School	N/A	N/A	2013	4
Syringa Mountain School	N/A	N/A	2014	3
Bingham Academy	N/A	N/A	2014	3

**March 2018**

School	2013 Star Rating	2012 Star Rating	Opening Year	Age at Renewal
The Village Charter School (TVCS)	3	2	2011	7
Idaho Science and Technology Charter School (ISTCS)	3	3	2009	9
Idaho Virtual Academy (IDVA)	3	3	2002	16
INSPIRE Connections Academy	3	3	2005	13
Falcon Ridge Public Charter School (FRPCS)	3	4	2000	18
Monticello Montessori Charter School	4	2	2010	8
Palouse Prairie School of Expeditionary Learning (PPSEL)	4	2	2009	9
Heritage Community Charter School (HCCS)	4	2	2011	7
Legacy Charter School	4	3	2011	7
North Idaho STEM Charter Academy (NI STEM)	4	N/A	2012	6
Rolling Hills Public Charter School (RHPCS)	4	4	2005	13

March 2019

School	2013 Star Rating	2012 Star Rating	Opening Year	Age at Renewal
Academy at Roosevelt Center, The	4	4	2006	13
Blackfoot Charter Community Learning Center (BCCLC)	4	4	2000	19
Sage International School of Boise	4	4	2010	9
Taylor's Crossing Public Charter School (TCPCS)	4	4	2006	13
Xavier Charter School (XCS)	4	4	2007	12
Compass Public Charter School	5	5	2005	14
Liberty Charter School	5	4	1999	20
North Valley Academy (NVA)	5	4	2008	11
Victory Charter School	5	4	2004	15
Vision Charter School	5	4	2007	12
White Pine Charter School (WPCS)	5	4	2003	16

August 30, 2013

Performance Certificate Revisions: August 15, 2013 - August 28, 2013

Section	Change(s)	Reasoning
4.D	Amendment of "default" to "deficit" with regard to deficit protection clauses in management contracts.	Request by stakeholders for phrasing better aligned with their contracts.
4.F	Addition of "full-time" in front of "employees" in second sentence.	Acknowledgement of standard procedure of providing benefits to full-time, and not necessarily to all, employees.
8.A	Deletion of first sentence and the words "control of" in the second sentence.	Clarify that the Performance Certificate does not create a relationship between the parties.

## CHARTER SCHOOL PERFORMANCE CERTIFICATE

This performance certificate is executed on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ by and between the Idaho Public Charter School Commission (the “Authorizer”), and \_\_\_\_\_ (the “School”), an independent public school organized as an Idaho nonprofit corporation and established under the Public Charter Schools Law, Idaho Code Section 33-5201 *et seq*, as amended (the “Charter Schools Law.”)

### RECITALS

[FOR EXISTING SCHOOLS] WHEREAS, on [DATE], the Authorizer approved a charter petition for the establishment of the School; and

WHEREAS, the School began operations in the year \_\_\_\_; and

WHEREAS, the Charter Schools Law was amended effective as of July 1, 2013 to require all public charter schools approved prior to July 1, 2013 to execute performance certificates with their authorizers no later than July 1, 2014;

[FOR NEW SCHOOLS] WHEREAS, on [DATE], Authorizer received a petition to request the creation of a new charter school referred to as [NAME OF SCHOOL;] and

WHEREAS, on [DATE], the Authorizer approved the charter petition (the “Charter”) subject to conditions outlined in Appendix A;

[FOR RENEWAL SCHOOLS:] WHEREAS, on [DATE], the Authorizer approved a charter petition for the establishment of the School; and

WHEREAS, on [DATE], the Authorizer issued to the school a public charter school performance report and charter renewal application guidance; and

WHEREAS, on [DATE], Authorizer received a renewal application from the School; and

WHEREAS, on [DATE], the Authorizer approved the renewal application subject to conditions outlined in Appendix A;

NOW THEREFORE in consideration of the foregoing recitals and mutual understandings, the Authorizer and the School agree as follows:

**SECTION 1: AUTHORIZATION OF CHARTER SCHOOL**

- A. Establishment [or Continued Operation] of School.** Pursuant to the Charter Schools Law, the Authorizer hereby approves the establishment [OR continued operation] of the School on the terms and conditions set forth in this Charter School Performance Certificate (the “Certificate”). The approved Charter is attached to this Certificate as Appendix B.
- B. Pre-Opening Requirements.** Pursuant to Idaho Code Section 33-5206(6), the Authorizer may establish reasonable pre-opening requirements or conditions (“Pre-Opening Requirements”) to monitor the start-up progress of a newly approved public charter school to ensure that the school is prepared to open smoothly on the date agreed. The School shall not commence instruction until all pre-opening requirements have been completed to the satisfaction of the Authorizer. Pre-opening requirements are attached as Appendix C. If all pre-opening conditions have been completed to the satisfaction of the Authorizer, the School shall commence operations/instruction with the first day of school on [DATE]. In the event that all pre-opening conditions have not been completed to the satisfaction of the Authorizer, the School may not commence instruction on the scheduled first day of school. In such event, the Authorizer may exercise its authority on or before July 20 to prohibit the School from commencing operation/instruction until the start of the succeeding semester or school year.
- C. Term of Agreement.** This Certificate is effective as of [DATE], and shall continue through [DATE], unless earlier terminated as provided herein.

**SECTION 2: SCHOOL GOVERNANCE**

- A. Governing Board.** The School shall be governed by a board (the “Charter Board”) in a manner that is consistent with the terms of this Certificate so long as such provisions are in accordance with state, federal, and local law. The Charter Board shall have final authority and responsibility for the academic, financial, and organizational performance of the School. The Charter Board shall also have authority for and be responsible for policy and operational decisions of the School, although nothing herein shall prevent the Charter Board from delegating decision-making authority for policy and operational decisions to officers, employees and agents of the School, as well as third party management providers.
- B. Articles of Incorporation and Bylaws.** The articles of incorporation and bylaws of the entity holding the charter shall provide for governance of the operation of the School as a nonprofit corporation and public charter school and shall at all times be consistent with all applicable law and this Certificate. The articles of incorporation and bylaws are attached to this Certificate as Appendix D (the “Articles and Bylaws”). Any modification of the Articles and Bylaws must be submitted to the Authorizer

within five (5) business days of approval by the Charter Board.

- C. Charter Board Composition.** The composition of the Charter Board shall at all times be determined by and consistent with the Articles and Bylaws and all applicable law and policy. The roster of the Charter Board is attached to this Certificate as Appendix E (the “Board Roster”). The Charter Board shall notify the Authorizer of any changes to the Board Roster and provide an amended Board Roster within five (5) business days of their taking effect.

### SECTION 3: EDUCATIONAL PROGRAM

- A. School Mission.** The mission of the School is as follows:
- B. Grades Served.** The School may serve students in grade XX through grade XX.
- C. Design Elements.** The School shall implement and maintain the following essential design elements of its educational program:
- D. Standardized Testing.** Students of the School shall be tested with the same standardized tests as other Idaho public school students.
- E. Accreditation.** The School shall be accredited as provided by rule of the state board of education.

### SECTION 4: AUTHORIZER ROLE AND RESPONSIBILITIES

- A. Oversight allowing autonomy.** The Authorizer shall comply with the provisions of Charter School Law and the terms of this Certificate in a manner that does not unduly inhibit the autonomy of the School. The Authorizer’s Role will be to evaluate the School’s outcomes according to this Certificate and the Performance Framework rather than to establish the process by which the School achieves the outcomes sought.
- B. Charter School Performance Framework.** The Charter School Performance Framework (“Performance Framework”) is attached and incorporated into this agreement as Appendix F. The Performance Framework shall be used to evaluate the School’s academic, financial and operational performance, and shall supersede and replace any and all assessment measures, educational goals and objectives, financial operations metrics, and operational performance metrics set forth in the Charter and not explicitly incorporated into the Performance Framework. The specific terms, form and requirements of the Performance Framework, including any required indicators, measures, metrics, and targets, are determined by the Authorizer and will be binding on the School.
- C. Authorizer to Monitor School Performance.** The Authorizer shall monitor and report on the School’s progress in relation to the indicators, measures, metrics and targets set out in the Performance Framework. The School shall be subject to a formal review of its academic, mission-specific, operational, and financial performance at least annually.
- D. School Performance.** The School shall achieve an accountability designation of *Good*



*Standing* or *Honor* on each of the three sections of the Performance Framework. In the event the School is a party to a third party management contract which includes a deficit protection clause, the School shall be exempt from some or all measures within the financial portion of the Performance Framework. In accordance with Charter School Law, the Authorizer shall renew any charter in which the public charter school met all of the terms of its performance certificate at the time of renewal.

- E. Performance Framework As Basis For Renewal of Charter.** The School's performance in relation to the indicators, measures, metrics and targets set forth in the Academic and Mission-Specific, Operational and Financial sections of the Performance Framework shall provide the basis upon which the Authorizer will decide whether to renew the School's Charter at the end of the Certificate term. As part of the Performance Framework, the Authorizer agrees to consider mission-specific, rigorous, valid, and reliable indicators of the School's performance. These negotiated indicators will be included in the Mission-Specific portion of the Academic and Mission Specific section of the Performance Framework.
- F. Authorizer's Right to Review.** The School will be subject to review of its academics, operations and finances by the Authorizer, including related policies, documents and records, when the Authorizer deems such review necessary. The Authorizer shall conduct its reviews in a manner that does not unduly inhibit the autonomy granted to the School.
- G. Site Visits.** In addition to the above procedures, the Charter School shall grant reasonable access to, and cooperate with, the Authorizer, its officers, employees and other agents, including allowing site visits by the Authorizer, its officers, employees, or other agents, for the purpose of allowing the Authorizer to fully evaluate the operations and performance of the School. The Authorizer may conduct a site visit at any time if the Authorizer has reasonable concern regarding the operations and performance of the School. The Authorizer will provide the School reasonable notice prior to its annual site visit to the School. The School shall have an opportunity to provide a written response to the site visit report no later than fourteen (14) days prior to the meeting at which the report is to be considered by the Authorizer. If no written response is provided, the School shall have the opportunity to respond orally to the site visit report at the meeting.
- H. Required Reports.** The School shall prepare and submit reports regarding its governance, operations, and/or finances according to the established policies of and upon the request of the Authorizer. However, to the extent possible, the Authorizer shall not request reports from the School that are otherwise available through student information systems or other data sources reasonably available to the Authorizer.

## SECTION 5: SCHOOL OPERATIONS

- A. In General.** The School and the Charter Board shall operate at all times in accordance with all federal and state laws, local ordinances, regulations and Authorizer

policies applicable to charter schools. Authorizer policies in effect for the duration of this Certificate are attached as Appendix G.

- B. Maximum Enrollment.** The maximum number of students who may be enrolled in the school shall be [NUMBER] of students. The maximum number of students who may be enrolled per class/grade level shall be as follows:
- C. Enrollment Policy.** The School shall make student recruitment, admissions, enrollment and retention decisions in a nondiscriminatory manner and without regard to race, color, creed, national origin, sex, marital status, religion, ancestry, disability or need for special education services. In no event may the School limit admission based on race, ethnicity, national origin, disability, gender, income level, athletic ability, or proficiency in the English language. If there are more applications to enroll in the charter school than there are spaces available, the charter school shall select students to attend using a random selection process that shall be publicly noticed and open to the public. The School shall follow the enrollment policy approved by the Authorizer and incorporated into this agreement as Appendix H.
- D. School Facilities.** [FOR NEW SCHOOLS:] Location. The School shall identify the location of its facilities pursuant to the terms of the Pre-Opening Requirements. The School shall provide reasonable notification to the Authorizer of any change in the location of its facilities. [FOR RENEWAL SCHOOLS:] Location. The School shall provide reasonable notification to the Authorizer of any change in the location of its facilities.
- E. Attendance Area.** The School's primary attendance area is as follows:
- F. Staff.** Instructional staff shall be certified teachers as provided by rule of the state board of education. All full-time staff members of the School will be covered by the public employee retirement system, federal social security, unemployment insurance, worker's compensation insurance, and health insurance.
- G. Alignment with All Applicable Law.** The School shall comply with all applicable federal and state laws, rules, and regulations. In the event any such laws, rules, or regulations are amended, the School shall be bound by any such amendment upon the effective date of said amendment.

## SECTION 6: SCHOOL FINANCE

- A. General.** The School shall comply with all applicable financial and budget statutes, rules, regulations, and financial reporting requirements, as well as the requirements contained in the School Performance Framework incorporated into this contract as Appendix F.
- B. Financial Controls.** At all times, the Charter School shall maintain appropriate governance and managerial procedures and financial controls which procedures and controls shall include, but not be limited to: (1) commonly accepted accounting practices and the capacity to implement them (2) a checking account; (3) adequate payroll

procedures; (4) procedures for the creation and review of monthly and quarterly financial reports, which procedures shall specifically identify the individual who will be responsible for preparing such financial reports in the following fiscal year; (5) internal control procedures for cash receipts, cash disbursements and purchases; and (6) maintenance of asset registers and financial procedures for grants in accordance with applicable state and federal law.

- C. Financial Audit.** The School shall submit audited financial statements from an independent auditor to the Authorizer no later than October 15 of each year.
- D. Annual Budgets.** The School shall adopt a budget for each fiscal year, prior to the beginning of the fiscal year. The budget shall be in the Idaho Financial Accounting Reporting Management Systems (IFARMS) format and any other format as may be reasonably requested by the Authorizer.

## **SECTION 7: TERMINATION, NON-RENEWAL AND REVOCATION**

- A. Termination by the School.** Should the School choose to terminate its Charter before the expiration of the Certificate, it may do so upon written notice to the Authorizer. Any school terminating its charter shall work with the Authorizer to ensure a smooth and orderly closure and transition for students and parents, as guided by the public charter school closure protocol established by the Authorizer attached as Appendix I.
- B. Nonrenewal.** The Authorizer may non-renew the Charter at the expiration of the Certificate if the School failed to meet one (1) or more of the terms of its Certificate. Any school which is not renewed shall work with the Authorizer to ensure a smooth and orderly closure and transition for students and parents, as guided by the public charter school closure protocol established by the Authorizer attached as Appendix I.
- C. Revocation.** The School's Charter may be revoked by the Authorizer if the School has failed to meet any of the specific, written renewal conditions attached, if applicable, as Appendix A for necessary improvements established pursuant to Idaho Code§ 33-5209B(1) by the dates specified. Revocation may not occur until the public charter school has been afforded a public hearing, unless the Authorizer determines that continued operation of the public charter school presents an imminent public safety issue. If the School's Charter is revoked, the School shall work with the Authorizer ensure a smooth and orderly closure and transition for students and parents, as guided by the public charter school closure protocol established by the Authorizer attached as Appendix I.
- D. Dissolution.** Upon termination of the Charter for any reason by the Charter Board, or upon nonrenewal or revocation, the Charter Board will supervise and have authority to conduct the winding up of the business and other affairs of the School; provided, however, that in doing so the Authorizer will not be responsible

for and will not assume any liability incurred by the School. The Charter Board and School personnel shall cooperate fully with the winding up of the affairs of the School.

- E. Disposition of School's Assets upon Termination or Dissolution.** Upon termination of the Charter for any reason, any assets owned by the School shall be distributed in accordance with Charter Schools Law.

#### **SECTION 8: MISCELLANEOUS**

- A. No Employee or Agency Relationship.** None of the provisions of this Certificate will be construed to create a relationship of agency, representation, joint venture, ownership, or employment between the Authorizer and the School.
- B. Additional Services.** Except as may be expressly provided in this Certificate, as set forth in any subsequent written agreement between the School and the Authorizer, or as may be required by law, neither the School nor the Authorizer shall be entitled to the use of or access to the services, supplies, or facilities of the other.
- C. No Third-Party Beneficiary.** This Certificate shall not create any rights in any third parties, nor shall any third party be entitled to enforce any rights or obligations that may be possessed by either party to this Certificate.
- D. Amendment.** This Certificate may be amended by agreement between the School and the Authorizer in accordance with Authorizer policy, attached as Appendix G. All amendments must be in writing and signed by the School and the Authorizer.

IN WITNESS WHEREOF, the Authorizer and the School have executed this Performance Certificate to be effective [DATE].

**August 30, 2013**

- Appendix A: Conditions of Authorization/Renewal**
- Appendix B: Charter**
- Appendix C: Pre-Opening Requirements**
- Appendix D: Articles of Incorporation and Bylaws**
- Appendix E: Board Roster**
- Appendix F: School Performance Framework**
- Appendix G: Authorizer Policies**
- Appendix H: Enrollment Policy**
- Appendix I: Public Charter School Closure Protocol**