

SUBJECT

Palouse Prairie School of Expeditionary Learning Proposed Charter Amendments

APPLICABLE STATUTE, RULE, OR POLICY

I.C. §33-5206(8)
IDAPA 08.02.04.302

BACKGROUND

Palouse Prairie School of Expeditionary Learning (PPSEL) is a public charter school authorized by the Public Charter School Commission (PCSC). Located in Moscow, PPSEL has an enrollment of approximately 170 students and will soon begin its fifth year of operation.

DISCUSSION

PPSEL has submitted a written proposal for amendments to several sections of the school's charter and bylaws.

The proposed amendments primarily affect Tab 5 of the charter and articles IV, V, and VI of the bylaws. Additionally, minor changes aimed at language clean-up are included in articles IX, XI, and XII of the bylaws. PPSEL has provided a cover letter that includes an overview of the proposed revisions.

The most significant proposed revisions are those pertaining to the process of recruiting and approving new board members. Historically, PPSEL has had a mixed board, with some positions identified for nomination and election by stakeholders, and others appointed by the active board members. PPSEL is proposing to have all positions be filled through an appointment process. A nominating committee will be established to include a parent, faculty, and community members. After nominations have been received, the active board members will vote to appoint candidates to fill the open seat(s).

IMPACT

If the PCSC approves the proposed amendments, PPSEL will immediately begin operating under the amended charter. If the PCSC denies the amendments, PPSEL could appeal this decision to the State Board of Education, or could decide not to proceed any further.

STAFF COMMENTS AND RECOMMENDATIONS

In the past, both Commissioners and members of the public have expressed concern that all-appointed charter school boards may not adequately protect the interests of stakeholders and taxpayers. However, school boards frequently note that they receive little interest from their stakeholders in board elections, making appointment a more practical

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option. Staff recommends that the PCSC carefully consider whether or not to approve PPSEL's proposed charter amendment that would result in a fully appointed board of directors.

COMMISSION ACTION

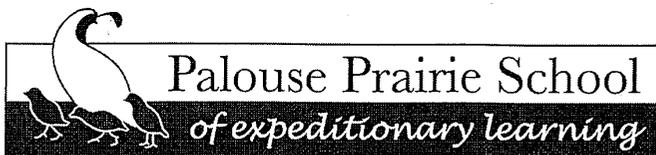
A motion to approve the proposed charter amendments as submitted by Palouse Prairie School of Expeditionary Learning (PPSEL).

OR

A motion to deny the proposed charter amendments as submitted by Palouse Prairie School of Expeditionary Learning (PPSEL) on the following grounds: _____.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

August 15, 2013



July 22, 2013

Idaho Public Charter School Commission
PO Box 83720
Boise, ID 83720-0037

Chairman Reed,

I am writing to request the Commission approve changes to the Palouse Prairie School of Expeditionary Learning Charter and ByLaws.

The reason for the proposed change is that the mechanism for selecting Board members in the current ByLaws is cumbersome. The goal of these changes is to maintain the spirit of representing multiple constituencies while simplifying the process.

Background - The ByLaws created at the founding of the school described two mechanisms by which the Board was selected. The first mechanism was a self-appointing board and was to be used before the school opened. The ByLaws require the second mechanism be used within one year after the school opening.

The Board began using the second mechanism in the spring of 2010. It divides the Board into members selected by three different constituencies: (1) parents, (2) teachers, via election of representatives and (3) Board appointees. The framers of the ByLaws had envisioned that parents and teachers would be proactive in recruiting prospective Board members and would be actively engaged in the election process.

As it has turned out, parents and teachers have very little interest in the Board and when asked to nominate candidates for election, neither group has brought forth candidates. The Board has found its own replacements in the absence of participation by the other parties.

At a previous PCSC site visit (2012), Nils Peterson, then Board Chair, discussed these challenges with Commission staff.

Beginning in Spring 2012 the Board began discussing how to revise the ByLaws to maintain the spirit of representing the interests of parents and teachers but using a mechanism that was less cumbersome. Discussions included input from the Idaho Charter School Network during their Programmatic Audit. During Fall 2012 the Board conceptually designed a new process and in Feb 2013 began the process of considering language to revise the ByLaws. The new process uses a Nominating Committee composed of Parents and Teachers to bring forward a slate of candidates. The new process recognizes that if the Nominating Committee fails to bring forward a slate in a timely manner the Board can and must recruit and appoint members in order to continue operating.

Concurrent to the issue above, the Board has found that the 1- and 2-year terms outlined in the ByLaws are too short for Board continuity. Consequently the Board has been evolving its membership to staggered 3-year terms.

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On February 2, 2013 the Board consulted Amy White of Anderson Julian & Hull LLP regarding the proposed revisions. Amy reviewed the ByLaws, the Charter and the Articles of Incorporation. She found no changes required in the Articles but detected potential need to revise the section in the Charter that describes the school's Board.

The PPSEL Board drafted a revision to the Charter to be submitted to SDE for Sufficiency Review.

On March 21 the PPSEL Board moved to "approve changes to the Bylaws and Charter to alter the process for the recruitment and selection of Board members to take immediate effect when the Charter revisions are approved by the Commission, and to proceed with Board recruitment using the new mechanisms." Motion passed unanimously

These amendments modify the process for selecting members of the Board, see ByLaws:

- Article IV Board of Directors
- Article V Election of Board Members
- Article VI Board Member Terms
- Article IX Board Member Vacancies

The following other documents have been reviewed for implications/ impacts on the implementation of these ByLaws changes

- Articles of Incorporation – no references to Board selection process or criteria
- Charter – pages 34-36 of 58 have references to elections of Board members and parent membership on the Board.

It is my hope that the Commission can approve the proposed changes at its August meeting.

If you have any concerns, please contact me.

Sincerely,


Brian Gardner
Board Chair 2013-14

August 15, 2013

**BYLAWS OF
PALOUSE PRAIRIE EDUCATIONAL ORGANIZATION, INC.
An Idaho Non-Profit Corporation**

The undersigned, acting as the Board of Directors (“Board”) under the Nonprofit Public Corporation Act of the State of Idaho, adopt the following Bylaws for such corporation:

ARTICLE I. CORPORATION’S OFFICES

Section 1.01 The Corporation’s principal office shall be fixed and located in the County of Latah, State of Idaho, as the Board shall determine. The Board is granted full power and authority to change the principal office from one location to another within the County of Latah, State of Idaho.

ARTICLE II. CORPORATION MEMBERSHIP

Section 2.01 The Corporation has no members. The rights which would otherwise vest in the members vest in the Board. Actions which would otherwise require approval by a majority of all members requires only approval of a majority of all Board members.

Section 2.02 Nothing in the Article II shall be construed to limit the corporation’s right to refer to persons associated with it as “members” even though such persons are not members, and no such reference by the corporation shall render anyone a member within the meaning of Idaho Code, Title 30, Chapter 3-34 of the Idaho Nonprofit Corporation Act. Such individuals may originate and take part in the discussion of any subject that may properly come before any meeting of the Board, but may not vote.

ARTICLE III. PURPOSE

Section 3.01 In accordance with the Idaho Public Charter Schools Act of 1998, Chapter 52, Title 33, Idaho Code, the corporation is organized exclusively for educational purposes, (as “Educational” is defined in Section 501c(3) of the Internal Revenue Code of 1986), to create and operate a public charter school¹ for the education of Idaho children.

Section 3.02 The Corporation is organized and will be operated as Palouse Prairie Educational Organization, Inc. The specific purposes for Palouse Prairie Educational Organization, Inc. are as follows:

- A. To act and operate exclusively as a nonprofit corporation pursuant to the laws of the State of Idaho.

- B. To engage in all activities and pursuits, and to support and assist such other organizations, as may be reasonably related to the foregoing and following purposes.
- C. To engage in any and all other lawful purposes, activities, and pursuits, which are substantially similar to the foregoing and which are or may hereafter be authorized by or are consistent with Section 501(c)(3) of the Internal Revenue Code, the Idaho Nonprofit Corporation Act, and the Idaho Public Charter Schools Act.
- D. To operate the Palouse Prairie Educational Organization, Inc. in providing teaching opportunities for educators, as well as to engage in other activities dedicated to the educational process.
- E. To solicit and receive contributions, purchase, own and sell real and personal property, to make contracts, to invest corporate funds, to spend corporate funds for corporate purposes, and to engage in any and all activities in furtherance of, incidental to, or connected with any purpose described herein.
- F. No part of the net earnings of the corporation shall inure to the benefit of, or be distributable to its directors or officers. The corporation shall be authorized and empowered to pay reasonable compensation to non-board members for services rendered to the corporation and to make payments and distributions in furtherance of the purposes set forth herein.
- G. No substantial part of the activities of the corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office, except as authorized under the Internal Revenue Code, of 1954, as amended.
- H. The property of this corporation is irrevocably dedicated to charitable and/or educational purposes within the meaning of Section 501 (c)(3), and no part of the net income or assets of this corporation shall ever inure to the benefit of any director, officer or member thereof or to the benefit of any private person.
- I. The corporation shall not discriminate on the basis of race, age, color, national origin, religious belief, sex, or disability in any program, accommodation, or activity it sponsors. The corporation will comply with all federal and state requirements and laws.

ARTICLE IV. BOARD OF DIRECTORS

Section 4.01 Powers and Responsibilities

- A. All corporate powers, and the business and affairs of the Corporation shall be managed under the direction of the Board of Directors except as may be otherwise provided by law or by these Bylaws. The Board may delegate the management of the activities of the corporation to others, so long as the affairs of the corporation are managed, and its powers exercised, under the Board's ultimate jurisdiction. If any such provision is made, the powers and duties conferred or imposed upon the Board of Directors shall be exercised or performed to such extent by such person or persons as shall be provided in the Bylaws.
- B. The Board of Directors for Palouse Prairie Educational Organization, Inc. will serve as the Board of Directors for the school¹ opened and/or operated by the corporation.
- C. The Board of Directors has complete responsibility for establishing and implementing the philosophy, vision, goals, objectives, operations, and accountability of the Corporation school¹.
- D. Without limiting the generality of the powers here granted to the Board, but subject to the same limitations, the Board shall have all the powers enumerated in these Bylaws, and the following specific powers:
- E. The Board will hold an annual meeting, with a date set by the Board, to review the school Charter¹ and Board Policies and Procedures; at this meeting Board Officers will be elected and meetings for the next year will be scheduled.
- F. No director shall have pecuniary interest directly or indirectly in any contract or other transaction pertaining to the maintenance or conduct of an authorized chartering entity and charter, or to accept any reward or compensation for services rendered as a director except as may be otherwise provided in Title 33, Chapter 52 of Idaho Code.

Section 4.02 Board of Directors Membership

- A. The Board of Directors will consist of a minimum of five (5) to a maximum of seven (7) voting members.
 - ~~1) Board Member positions will belong to one of three categories: Board appointed positions, School Parent elected positions, and School Faculty elected positions. Appointment or election to these positions is described separately in these Bylaws.~~
 - ~~a) After the first scheduled election after the first day in which a Corporation school is open for business, the core composition of the Board will consist of a minimum of two (2) School Parent elected members, one (1) School Faculty elected member, and two (2) members who are Board appointed.~~
 - 2) The Board may extend beyond the minimum of five (5) members to fill any number of open positions to a maximum of seven (7) by a majority vote of the Board members present at a regular or special Board meeting, so long as the

~~following conditions are met.~~

- ~~a) If the Board consists of six (6) members, then the composition of the Board will consist of a minimum of two (2) school parent elected members, one (1) school faculty elected member, and three (3) members who are Board appointed.~~
 - ~~b) If the Board consists of seven (7) members, then the composition of the Board will consist of a minimum of two (2) school parent elected members, two (2) school faculty elected members, and three (3) members who are Board appointed.~~
- 3) No two members of the same household shall be members of the Board at the same time.

Section 4.03 Compensation of Board Members

- A. Board members shall serve without compensation. However, the Board may approve reimbursement of a member's actual and necessary expenses while conducting official corporation business.

ARTICLE V. ELECTIONS SELECTION OF BOARD MEMBERS

Section 5.01 Board Member Elections – General

- ~~A. New members of the Board may be appointed by the existing Board or elected onto the Board as explained below.~~
- ~~B. Elections of members of the Board of Directors will be held once per year on a date chosen by the Board unless no Board position terms are scheduled to end that year.[†] The first election will take place within one (1) year of the first day in which a Corporation school is open for business.~~
- ~~C. Open Board Member positions will belong to one of three categories: Board appointed positions, School Parent (in this capacity, "Parent" refers to both parents and legal guardians of current students) elected positions and School Faculty (School Faculty is defined as including any full or part time certificated employee paid by the school at the time of the nomination process) elected positions.~~
- ~~D. Nomination of members for Board appointed positions must be by the Board of Directors. Nomination of members for School Faculty elected positions must be by the School Faculty. Current School Faculty members are not eligible for nomination or election to the Board. Nomination of members for School Parent elected positions must be by the community of parents and legal guardians who have children currently~~

~~attending the school. Any school parent may nominate themselves as a candidate for Board membership for an open School Parent elected position.~~

- B. During any year in which Board terms are scheduled to expire the Board will create a committee charged with recruiting and nominating qualified Board candidates. This Nominating Committee shall consist of one (1) to five (5) people and may include a Board representative. The Committee will serve for one nominating cycle and be disbanded at the end of each fiscal year.
- C. The Nominating Committee shall be charged with soliciting nominations, and self-nominations, from: (1) School Parents (in this capacity, "Parent" refers to both parents and legal guardians of current students), (2) School Faculty, and (3) the Community at large within the School's attendance area. The Nominating Committee may also nominate individuals itself.
- E. The Nominating Committee shall be charged with screening prospective nominees to ensure their qualifications and willingness to serve. The Nominating Committee's Slate may consist of any number of Nominees, regardless of the number of upcoming Board vacancies.
- F. To be considered Qualified, Nominees must meet the conditions set forth in Article XIX Self-Dealing Transactions.
- G. The Nominating Committee shall be charged to report to the Board its Slate of Qualified Nominees at a Board selected date. The Board shall set this reporting date sufficiently early in the year as to afford the Board adequate time to identify and appoint additional members should the Nominating Committee fail to present a slate large enough to fill all the vacancies.
- H. The Nominating Committee shall also present, along with its Slate, evidence of its efforts to invite nominations of qualified individuals from these key stakeholder groups: School Faculty, School Parents, and the Community and any other evidence it has to ensure that the diversity of interests of these groups will be represented among the prospective Board (Nominees and continuing Board members).

Section 5.02 ~~Election~~ Appointment Process

- ~~A. A majority of Board Members then in office will appoint qualified individuals from the Nominating Committee's Slate of candidates. ~~for Board appointed positions.~~~~
- ~~B. School Parents will elect individuals from duly nominated candidates for School Parent positions. Non-certificated school staff will have the option to cast votes for the School Parent positions.~~
- ~~C. School Faculty will elect individuals from duly nominated candidates for Faculty elected positions.~~

~~D. For School Parent and School Faculty elected positions a vote by the majority of those casting a ballot shall be the vote of the constituency.~~

~~1) If there is only one (1) candidate on a position ballot, the constituency will cast a "yes" or "no" vote for election of the candidate, and the candidate must receive a "yes" vote by a majority of those casting a ballot in order to be elected to a Board position.~~

~~2) If there is only one (1) candidate on a position ballot and the candidate does not receive a "yes" vote by a majority of those casting a ballot, a majority of Board Members then in office will appoint a separate individual to fill that position within 60 days of the election.~~

~~3) If there are no candidates for an open School Parent or School Faculty Board position, a majority of Board Members then in office will appoint an individual to fill that position.~~

~~E. Each Board Member, employee, and school parent or legal guardian will have one vote in the matters pertaining to the election of an open Board Member position.~~

B. In the event that the Nominating Committee fails for any reason to present a Slate with an adequate number of Qualified Nominees, the Board may recruit and nominate sufficient qualified individuals to fill any remaining vacancies.

C. In the event that a Board vacancy occurs during the year and prior to the time the Nominating Committee reports its slate of candidates, the Board may consult the Nominating Committee (if one exists) for candidates and/or may on its own recruit qualified candidates and appoint them to fill the vacant term.

ARTICLE VI. BOARD MEMBER TERMS

Section 6.01 Board Member Terms

A. Founding Board Members are defined as members of the Board of Directors on the first day on which a Corporation school is open for business. Up to two Founding Board Members may serve until the second scheduled election after the first day in which a Corporation school is open for business. The remaining Founding Board Members will serve until the first scheduled election after the first day in which a Corporation school is open for business.

B. Unless otherwise stipulated, Board members will serve for a ~~two (2)~~ three (3) year term. Board members may serve multiple terms.

~~C. Board members elected by the faculty shall serve one (1) year terms.~~

- D. The term of office of a Board member elected or appointed to fill a vacancy begins on the date of the Board member's election or appointment, and continues:
- ~~1) For the balance of the term assigned to that position (1 or 2 years as applicable).~~
 - 1) For the full term of office, or
 - 2) For the balance of the un-expired term in the case of a vacancy created because of the resignation, removal, or death of a Board member, or
 - 3) For the term specified by the Board in the case of a vacancy resulting from the increase of the number of Board members authorized.
- E. A Board member's current term of office shall not be shortened by any reduction in the number of Board members resulting from amendment of the Articles of Incorporation or the Bylaws or other Board action.
- F. A Board member's current term of office shall not be extended beyond that for which the Board member was elected by amendment of the Articles of Incorporation or the Bylaws or other Board action.
- G. If the Board votes to open additional Board positions, the position will be filled by the process in these Bylaws. ~~The new positions' initial term will end on the second regular election following their selection.~~

ARTICLE VII. RESIGNATION OF BOARD MEMBERS

- A. Subject to the provisions of Section 30-3-69 of the Idaho Nonprofit Public Corporation Act, any Director may resign effective upon giving written notice to the Chairman or Secretary of the Board, unless the notice specifies a later effective time. If the resignation is effective at a future time, a successor may be selected before such time, to take office when the resignation becomes effective.
- B. Resignations are null and void until acted on by the Board in an official meeting, but may be withdrawn at any time until accepted by the Board.

ARTICLE VIII. REMOVAL OF BOARD MEMBERS

- A. At a meeting of the Board of Directors called expressly for that purpose, the Board may remove a Board member and declare vacant the position of any Board member who has been convicted of a felony, or has been found to have breached any duty arising under Article 30-3-85 of the Idaho Nonprofit Public Corporation Act, or to be of unsound mind by any court of competent jurisdiction, or has a demonstrated attendance problem as described in the "Attendance" section of these Bylaws, by a majority vote of the Board members then in office.

- B. Removal of a Board member for one or more of the reasons listed above may be initiated by any member of the Board. The Board shall hold a special meeting for that purpose within ten week days of receiving such a request. Such meeting shall be conducted with regard for the reasonable due process rights of all parties and in public, except where the member for whom removal is sought requests a closed session. Where a closed session is held, the final action of the Board shall be taken in public. Notice to the Board Member shall be provided in written form within 10 days of such meeting.
- C. Any Board member may be removed at such meeting without cause by a 60% vote of the Board members then in office.

ARTICLE IX. BOARD MEMBER VACANCIES

- A. A Board member vacancy or vacancies shall be deemed to exist if any Board member dies, resigns, or is removed. Unfilled Board positions beyond the minimal membership requirements are also considered vacant.
- B. The Board will appoint a new member to fill the term of any vacancy within 90 days of the vacancy occurring, unless the term of the vacant position expires within 180 days. In the latter event, the Board will fill the position as it would for a normally expiring term.

ARTICLE X. SCHOOL DIRECTOR

- A. The School Director is hired by the Board. The School Director has day-to-day responsibility for the school¹ of the Corporation, including carrying out the Corporation's goals and Board policy. The School Director will attend all Board meetings, report on the progress of the school¹, answer questions of Board members and carry out the duties described in the job description. The Board can designate other duties as necessary.
- B. The Board shall delineate the duties of the School Director and shall use them as the basis for evaluating the School Director's performance. Unless specifically limited, the School Director may delegate to other staff the exercise of any powers and the discharge of any duties imposed by Board policy or a vote of the Board. The delegation of power or duty shall not relieve the School Director of responsibility for the actions taken under such delegation.
- C. In order to perform their responsibilities, Board members must be familiar with the operations within the school. The School Director shall establish communication procedures which can enhance the Board member's understanding of student

programs and school operations. Additionally, the records of the school¹ shall be open for and available to inspection by any member of the Board.

- D. The School Director will serve as an ex officio Board member with no voting rights.
- E. The School Director will be responsible for hiring, assessing, and managing staff necessary to meet the goals of the Corporation. The number of, job descriptions, and contracts of staff shall be approved by the Board.
- F. The Board shall serve as the reviewer and the Corporation's final arbiter in regards to the lawful grievance of any member of the staff or public which is directed at or not resolved by the School Director.

ARTICLE XI. FACULTY REPRESENTATIVE

- A. A Faculty Representative (current member of the School Faculty) will serve as an advisor to the Board and attend all Board meetings. The Faculty Representative is not a Board member, and serves as only an advisor with no voting privileges.
- B. The Faculty Representative shall give a report to the Board no less than semi-annually which may include evidence of student progress towards meeting educational goals, student work, teacher input, etc.
- C. When a Faculty Representative position is vacant, a replacement member will be elected by the teachers employed from volunteer teacher applicants by a majority vote of the total Faculty.
- D. Any faculty member may nominate themselves as a candidate for the Faculty Representative seat.
- E. Faculty Board Representatives will serve one (1) year terms.
- F. The Faculty Representative position will be considered vacant upon the last day of employment of a faculty member holding that position or upon the expiration of that member's term.

ARTICLE XI. BOARD MEETINGS

- A. All official business must be conducted at a legal meeting of the Board of Directors with a quorum in attendance, and as stipulated by the Idaho Open Meeting Law of 1974.

- B. Regular Board meetings will be held at least once per month as scheduled annually. Regular meeting times and dates may be changed by a majority vote of the Board members present at a regular or special Board meeting.
- C. Special Board meetings may be called by the Chair or at the request of any two Board members or the School Director. At least three days written notice must be given.
- D. Announcement of Board Meetings will be publicized as stipulated per the Open Meeting Law and per Board Policy and Procedures.
- E. A simple majority of the quorum of Board members present at a regular or special Board meeting may pass all voting matters including acts, resolutions, propositions, etc., unless specified otherwise in these Bylaws.
- F. In exceptional circumstances, and with prior approval of the Chair, Board members may participate in a Board meeting through use of conference telephone or similar communication equipment, so long as all Board members participating in such meeting can hear one another. Participation in a meeting pursuant to this section constitutes presence in person at such meeting. All board meetings conducted by telephone conference call shall fully comply with the Idaho Open Meeting Act, Idaho Sections 67-2340 through 67-2347.
- G. Executive Sessions: All regular and special meetings of the Board of Directors shall be open to the public, except that, upon a majority vote of the members present at a regular or special Board meeting, an executive session closed to the public may be held to discuss sensitive matters as specified by the Idaho Open Meeting Act, Idaho Sections 67-2340 through 67-2347.¹ Only those persons invited by the Board may be present during executive session. During executive sessions, the Board shall not make final policy decisions, resolutions, rules, regulations, or take formal actions. Formal actions, such as approving a contract or payment of funds, will be approved only in open sessions. Matters discussed in executive sessions shall remain confidential. The Board Secretary will keep separate minutes of all Executive Sessions.
- H. All members of the Board, including the Chair, shall participate and vote in all matters before the Board. The School Director and Faculty Representative shall attend and fully participate in all discussions of the Board, as long as there are no state or federal restrictions regarding conflict of interest.
- I. "The Standard Code of Parliamentary Procedure" shall govern the proceedings of the Board, except where specific procedural exceptions are adopted by the Board.
- J. The Chair presides over the Board meeting and establishes the agenda that will be followed.

- K. Every motion before the Board will have an appropriate discussion period. Those engaging in the discussion will first be acknowledged by the Chair before speaking. At the Chair's discretion, comments may be limited to a specified time frame (e.g. two minutes per individual comment). The Chair will acknowledge each person that is permitted to speak. When feasible all individuals will be given opportunity to express their opinions.
- L. Board meetings may include open public discussion, which is defined as any individual in attendance having the option to have their viewpoints heard on the motion before the Board. Such public discussion will be initiated by a motion by any Board member which specifies the length of discussion period and time for each individual to speak, and the motion must be voted on immediately without debate. Upon the motion of a Board member and majority vote of the Board members present, the open discussion may be rescinded.
- M. Every Board meeting will have time for open comment from the public, which is defined as any individual in attendance having the option to have their viewpoints or concerns heard on matters pertaining to the Corporation. The length of discussion period and time for each individual to speak will be determined by the Chair.

Section 11.01 Board Member Attendance

- A. Board members are expected to attend each Board meeting of the Corporation and to participate fully in any committees of the Board of which they are a member.
- B. A Board attendance problem occurs if any of the following conditions exist in regard to a Board member's attendance at Board meetings:
 - 1) The member has two un-notified absences in a row. "Un-notified" means the member did not notify the Chair at least 24 hours before the upcoming meeting to indicate they would be gone from the upcoming meeting.
 - 2) The member has three notified absences in a row.
 - 3) The member misses one third of the total number of Board meetings in a twelve-month period.
- C. If an attendance problem occurs, a majority of the Board members present at a special Board meeting called for that purpose may vote to vacate the position, as described in the "Removal of Board members" section of these Bylaws.

ARTICLE XII. BOARD ACTIONS

Section 12.01 Quorum

- A. A quorum of the Board of Directors consists of a majority of the Directors in office immediately before a meeting begins. The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless otherwise stipulated in these Bylaws.
- B. A majority of the number of committee members fixed and appointed by the Board of Directors or Chair, as the case may be, shall constitute a quorum for the transaction of business at a meeting of such committee. The act of the majority of the committee members present at a meeting at which a quorum is present shall be the act of the committee.

Section 12.02 Committees

- A. The Board, by resolution adopted by a majority of the full membership of the Board of Directors, may create standing committees as needed.
- B. The chair and members of standing committees will be appointed by the Board Chair with the approval of the full membership of the Board of Directors. Committee chairs must be members of the Board.
- C. The Board, by resolution adopted by a majority of the members present at a regular or special Board meeting, may create ad hoc committees as needed.
- D. The chair and members of ad hoc committees will be appointed by the Board Chair with the approval of a majority of the members present at a regular or special Board meeting. Committee chairs must be members of the Board.
- E. The powers, rights, duties, and terms of Board Committees shall be enumerated in any resolution to create such committee.
- F. Nothing in these Bylaws shall be deemed to prohibit the Board of Directors from appointing committee members who may be non-directors, provided that such committees shall not have and may not exercise any of the powers of the Board of Directors.

Section 12.03 Advisory Councils

- A. The Board, by resolution adopted by a majority of the Board members present at a regular or special Board meeting, may establish advisory councils to perform functions that the Board from time to time deems necessary or beneficial to the Corporation school¹.
- B. The membership of advisory councils will be volunteer parents, employees, and/or community members approved by the Board.

- C. The role of an advisory council is to make recommendations to the Board or to act upon instructions of the Board.

Section 12.04 Board Self-Evaluation

- A. Each year the Board will formulate goals and objectives. The goals and objectives may include but are not limited to the Board functions of vision, structure, accountability and advocacy.
- B. The Board shall evaluate its own performance in terms of generally accepted principles of successful Board operations and in relation to its annual goals and objectives. The Board self-evaluation shall address performance in the key functions of school Boards - vision, structure, accountability and advocacy. The results of the self-evaluation shall be used in setting goals for the subsequent year and engaging in Board development activities where needed.

ARTICLE XIII. BOARD OFFICERS AND DUTIES

Section 13.01 Election

- A. Election of Officers of the Corporation shall be at annual elections of the Board by a majority of the Board members present after any new Board members are elected. An officer elected by the Board may be removed from that office without cause, at any time, by a 60% vote of the Board members then in office. Any Officer may resign at any time by giving written notice to the corporation, the resignation taking effect upon receipt of the notice or at a later date specified in the notice. Should an Officer position become vacant before annual elections, a new Officer shall be elected by a majority of the Board members present at a regular or special Board meeting and their term shall be until the next annual elections of the Board.

Section 13.02 Terms of Office

- A. Each officer serves at the pleasure of the Board, holding office until resignation, removal or disqualification from service, or until his or her successor is elected.

Section 13.03 Officers

- A. Officers of the Corporation shall be a Chair, Vice Chair, Secretary, and Treasurer. Any two or more officers may be held by the same person, except that neither the Secretary nor Treasurer may serve concurrently as the Chair.
- B. Chair - The Chair shall preside at all meetings of the Board, represent the Corporation and the Board to outside agencies, oversee the business and affairs of the Board, be responsible for ensuring execution of orders and resolutions of the Board, and other duties as defined by the Board. The Chair will prepare an agenda for each meeting.

The Chair shall have the full right to participate in debate without relinquishing the chair and shall have the right to vote on all matters put to a vote.

- C. Vice Chair - The Vice Chair shall have all powers and duties of the Chair in the absence or disability of the Chair. The Vice Chair shall perform duties from time to time as assigned by the Chair or the Board.
- D. Secretary - The Secretary shall be responsible for keeping full meeting minutes, record all acts and votes, and distribute those minutes as stipulated per Board Policy and Procedures. The Secretary shall perform duties from time to time as assigned by the Chair or the Board.
- E. Treasurer - The Treasurer shall have full guardianship of school monies. The records of the accounts of the Board shall, at all reasonable times, be open for and available to inspection by any member of the Corporation. The Treasurer shall perform duties from time to time as assigned by the Chair or the Board. The Treasurer will be bonded as required by Idaho Code 33-509. The Treasurer shall give a report to the Board no less than monthly at a regular meeting showing:
 - 1) The money received by the Treasurer each month and from what source received
 - 2) All monies disbursed and the purposes for which expended
 - 3) The balance of general funds against anticipated future revenue and expenses.

Section 13.04 Rights of Inspection.

- A. Every member of the Board has the right to inspect and copy all books, records and documents of every kind and to inspect the physical properties of the corporation provided such inspection is conducted at a reasonable time after reasonable notice to the relevant party(ies), and provided that such right of inspection and copying is subject to the corporation's obligations to maintain the confidentiality of certain books, records, and documents under any applicable federal, state or local law.

ARTICLE XIV. POLICIES AND PROCEDURES

Section 14.01 Policy Development

- A. Written policies are a primary means by which the Board governs and guides the acts of the Corporation school¹. As such, the Board shall use policy development as a means to articulate the Board's educational goals and provide further clarification and definition regarding governance structures.
- B. Adoption of new policies or the revision or repeal of existing policies is solely the responsibility of the Board.

- C. The Board shall adhere to the following process in considering and adopting policy proposals to ensure that they are well examined before final adoption.
 - 1) First meeting - the proposal shall be presented for a first reading and discussion.
 - 2) Second meeting - the proposal shall be presented for a second reading, discussion and final vote.
 - 3) An amendment to a policy shall not require that the policy go through an additional reading except as the Board determines that the amendment needs further study and that an additional reading would be desirable.
- D. Under unusual circumstances, the Board may temporarily approve a policy to meet emergency conditions. However, the above process is required before the policy shall be considered permanent.
- E. If a policy is added or revised because of a change in the law over which the Board has no control, the policy may be approved at one meeting at the Board's discretion.

Section 14.02 Administrative Procedures

- A. The School Director shall develop administrative procedures as are necessary to ensure consistent implementation of policies adopted by the Board. When a written procedure is developed, the School Director may submit it to the Board as an information item. Such procedures need not be approved by the Board, though it may revise them when it appears that they are not consistent with the Board's intentions as expressed in its policies. Procedures need not be reviewed by the Board prior to their issuance; though on controversial topics, the School Director may request prior Board approval.

Section 14.03 Changes to Board Approved Administrative Procedures

- A. Changes to Board Approved Administrative Procedure require Board approval. Such changes may be approved in the same meeting as presented. The School Director shall have the authority in unusual or emergency circumstances to make changes to Board approved administrative procedures. It shall be the duty of the School Director to inform the Board promptly of such action and to make any appropriate recommendations for changes in the procedure at the next scheduled Board meeting.

Section 14.04 Administration in Policy Absence

- A. In cases when action must be taken and the Board has not provided guidelines in policy for such action, the School Director shall have the power to act, keeping in mind the educational philosophy and financial condition of the Board. It shall be the

duty of the School Director to inform the Board promptly of such action and of the need for policy.

Section 14.05 Suspension of Policies

- A. In the event of special circumstances, the operation of any section or sections of Board policies, including those governing its own operating procedures, may be temporarily suspended by a majority vote of Board members present at any regular or special meeting. Reasons for suspension of Board policy shall be documented in Board minutes. Board policies established by law or by contract may not be suspended.

ARTICLE XV. BOARD MEMBER INSURANCE

- A. The Corporation may maintain sufficient insurance to protect the Board and its individual members against liability arising from actions of the Board or its individual members while each is acting on behalf of the Corporation and within his or her authority as a Board member.

ARTICLE XVI. NON-LIABILITY OF BOARD OF DIRECTORS

- A. The members of the Board of Directors shall not be personally liable for the corporation's debts, liabilities, or other liabilities.

ARTICLE XVII. INDEMNIFICATION OF CORPORATE AGENTS

- A. The corporation may, in accordance with the Idaho Public Charter Schools Act, indemnify any Board Member, officer, or employee of the Corporation against expenses actually and reasonably incurred in connection with the defense of any action, suit or proceeding, whether civil, criminal, administrative or investigative, in which such person is made a party, or is threatened to be made a party, by reason of being or having been an officer, except in relation to matters as to which such person is judged to be liable for willful misconduct in the performance of such person's duties to the Corporation.
- B. All officers and directors of the corporation shall comply with the general standards of conduct contained in Idaho Code 30-3-80.

ARTICLE XVIII. INSURANCE FOR CORPORATE AGENTS

- A. The Board may adopt a resolution authorizing the purchase and maintenance of insurance on behalf of any Board Member, officer, employee or other agent of the corporation, against any liability other than for violating provisions of laws relating to self-dealing asserted against or incurred by the agent in such capacity or arising out of the agent's status as such, whether or not the corporation would have the power to

indemnify the agent against such liability under the provisions of the Idaho Charter Schools Act.

ARTICLE XIX. SELF-DEALING TRANSACTIONS

- A. Except as may otherwise be provided by the Idaho Public Charter Schools Act or the Articles, no contract or other transaction between the Corporation and one or more of the Board members or any other corporation, firm, association or entity in which a Board Member of the Corporation has an interest shall not be allowed to do business with the corporation subject to the provisions section 33-5204 and 33-507 or other relevant sections of Idaho Code.

ARTICLE XX. OTHER PROVISIONS

Section 20.01 Fiscal Year

- A. The fiscal year of the corporation begins on July 1st of each year and ends on June 30th of the following year.

Section 20.02 Execution of Instruments

- A. Except as otherwise provided in these Bylaws, the Board may adopt a resolution authorizing any officer or agent of the corporation to enter into any contract or execute and deliver any instrument in the name of, or on behalf of the corporation. Such authority may be general or confined to specific instances.
- B. Unless so authorized, no officer, agent, or employee shall have any power to bind the corporation by any contract or engagement, to pledge the corporation's credit, or to render it liable monetarily for any purpose or any amount.

Section 20.03 Checks and Notes

- A. Except as otherwise specifically provided by Board resolution, checks, drafts, promissory notes, orders for the payment of money, and other evidence of indebtedness of the corporation requires two signatures as specified by Board policy.

Section 20.04 Construction and Definitions

- A. Unless the context otherwise requires, the general provisions, rules of construction, and definitions contained in the Idaho Charter Schools Act and Idaho Nonprofit Corporation Act shall govern the construction of these Bylaws. Without limiting the generality of the foregoing, words in these Bylaws shall be read as the masculine or feminine gender, and as the singular or plural, as the context requires, and the word "person" includes both a corporation and a natural person. The captions and headings

in these Bylaws are for conveniences for reference only and are not intended to limit or define the scope or effect of any provisions.

Section 20.05 Conflict of Interest

- A. Any Board Member, employee or committee member having an interest in a contract, other transaction or program presented to or discussed by the Board or Board Committee for authorization, approval, or ratification shall make a prompt, full and frank disclosure in writing of his or her interest to the Board or committee prior to its acting on such contract or transaction. For the purpose of this section, a person shall be deemed to have an “interest” in a contract or other transaction if he or she, or a spouse is the party (or one of the parties) contracting or dealing with the corporation, or is a director, trustee or officer of, or has a significant financial or influential interest in the entity contracting or dealing with the corporation. Such disclosure shall include all relevant and material facts known to such person about the contract or transaction which might reasonably be construed to be adverse to the corporation’s interest. The body to which such disclosure is made shall thereupon determine, by majority vote, whether the disclosure shows that a conflict of interest exists or can reasonably be construed to exist. If a conflict is deemed to exist or can be reasonably construed to exist, such person shall not vote on, nor use his or her personal influence on, nor be present during the discussion or deliberations with respect to, such contract or transaction (other than to present factual information or to respond to questions prior to the discussion). Each of the Board members and the Board of Directors shall at all times comply with the Ethics in Government Act, Idaho Code sections 59-107 *et seq.* and shall comply with the General Standards for Directors, Idaho Code section 30-3-80. The minutes of the meeting shall reflect the disclosure made and the vote thereon and, where applicable, the abstention from voting and participation.

Section 20.06 Manner of Giving Notice.

- A. Whenever provisions of any statute or these Bylaws require notice to be given to any director, officer, or other individual, they shall not be construed to mean personal notice. Such notice shall be given in writing and placed within public sight at the school in sufficient amount of time prior to the meeting or action to be taken as required by statute, the articles of incorporation, these Bylaws, and the corporation’s policies or procedures. Said notice need not be given individually and may be given in one notice document.

ARTICLE XXI. INTERPRETATION OF CHARTER

- A. Whenever any provisions of these Bylaws are in conflict with the provisions of the Charter, the provisions of these Bylaws control.

ARTICLE XXII. AMENDMENT OR CHANGES TO BYLAWS

- A. Proposals for changes to the Bylaws must originate by a written motion during a regular or special Board meeting, specifying the addition, change, or deletion. The full text of the proposed change must be made available to the school community at least two weeks prior to the Board meeting in which the change(s) will be discussed.
- B. New bylaws may be adopted or these bylaws may be amended or repealed by a majority vote of members of the Board then in office.
- C. The final vote for changes to the Bylaws will occur during a regularly scheduled Board Meeting or a special meeting held for this purpose for which there has been given two weeks published notice as defined in these Bylaws.
- D. One copy shall be maintained of the original Bylaws of the Corporation. Whenever any amendment or new Bylaws are adopted, each successive change shall be separately appended to the end of the document, indicating the date on which the change was authorized. If any Bylaws are repealed, the fact of repeal with the date of the meeting at which the repeal was enacted must be stated in the book and until so stated, the repeal must not take effect.
- E. A second copy of the Bylaws shall be maintained which is subtitled with the date of the last change made to the Bylaws and which is in content the authoritative current version of the Bylaws.

ARTICLE XXIII. DISSOLUTION

- A. Upon the dissolution of the corporation, its assets shall be liquidated under the direction of the Board. Proceeds from the liquidation shall be used to pay any and all debts and liabilities of the corporation pursuant to Section 30-3-114 and 30-3-115 of the Idaho Code. Any excess amounts will be distributed as required by Idaho State Law.

IN WITNESS WHEREOF, the undersigned have made and subscribed to these Bylaws at 723 E. A Street, Moscow, ID 83843, STATE OF IDAHO, LATAH COUNTY at the meeting of the Board of Directors held on the 7th day of March 2006.

(Names and Signatures of the Initial Board of Directors)

William Rivers, Chair _____

Linda Sterk, Vice Chair _____

Tiffany Scriptor, Secretary

Daniel Granja, Treasurer

Anne Adams, Member

AMENDMENTS

Approved January 24, 2013.

The following two types of changes were made:

1. This version has several proposed changes that seem to date from about the time of the original adoption that were not adopted. However, they seem like reasonable and important changes that the Founders omitted by clerical failures. See: Section 3.02 F; Section 5.01B; Article XI G;
2. Article III refers to operating multiple schools, which was prohibited by the Commission in the original chartering process and was removed by an action of the Board in spring of 2008. The action was apparently not recorded following the instructions for modifying the ByLaws and may or may not have been properly recoded with the Idaho Secretary of State. The signed version has multiple references to school(s) in the plural. The proposed changes are to convert all reference to school to the singular form.

ⁱ Made reference to a singular school January 24, 2013

TAB 5

A. Governance Structure

1. Summary

Palouse Prairie Educational Organization Inc. is a nonprofit organization governed by a Board of Directors with a structure of officers and by-laws, with delegation of operational management to a School Director. The Board of Directors of Palouse Prairie School is the entity which plans and directs all aspects of the school’s operations to the end that students shall have ample opportunity to achieve their individual and collective learning needs and to provide a thorough system of education. The Board meets as a whole on a monthly basis and in compliance with Idaho Code 67-2340 through 67-2347. It operates through various committees, including an executive committee consisting of officers elected to manage the Board and create, monitor, and revise school policies.

There is a clear distinction between the governance work of the Board of Directors and the administrative and management work of the paid staff. Palouse Prairie School is legally incorporated under the Idaho Nonprofit Corporations Act and is regulated by Idaho statutes and IRS regulations regarding nonprofit organizations. The Board of Directors of the corporation is responsible for governing the school. The Trustees each have a personal fiduciary duty to safeguard long-term well being of the school.

The role of a Board of Directors is to set policy and the role of the school administration is to implement it through procedures. The National School Boards Association defines policies and procedures as follows:

Policies: are principles adopted by the Board to chart a course of action. They tell what is wanted and may include why and how much. They are broad enough to indicate a line of action to be taken by the administration in meeting a number of day to day problems; they need to be narrow enough to provide clear direction to the administration.

Procedures: are detailed directions developed by the administration to put the policy into practice. They tell how, by whom, where and when things are to be done.

2. Legal Organization of Palouse Prairie School

Palouse Prairie Educational Organization, Inc. is and will remain organized and managed as a nonprofit corporation registered in the state of Idaho throughout the terms of this agreement. The Board of Directors of Palouse Prairie Educational Organization, Inc is legally accountable for the operation of Palouse Prairie School.

Palouse Prairie School shall be a public school as provided by the Idaho Public Charter Schools Act. Palouse Prairie School shall be deemed a governmental entity.

Palouse Prairie School must comply with all federal and state laws and rules. Palouse Prairie School is created and operates under the authority of Idaho Code Title 33, Chapter 52. Although most provisions of this code are not explicitly listed in this document, Palouse Prairie School will fully comply with and adhere to its provisions. The responsibility for identifying the essential laws and regulations, and complying with them, lies with Palouse Prairie School, not with the ACE.

Palouse Prairie School is managed by a Board of Directors which acts as public agents authorized to control Palouse Prairie School and which has the same responsibilities and liability as any Board of Directors of public education.

Palouse Prairie School is organized and shall be maintained as a separate legal entity from the Moscow School District 281. Palouse Prairie School may not extend the faith and credit of the District or the ACE to any third person or entity, nor may Palouse Prairie School contractually bind the District or ACE with any third party.

Palouse Prairie School is subject to the provisions of Idaho Code on disclosure of public records.

As specified in Idaho Code 33-5204, no Director shall have pecuniary interest directly or indirectly in any contract or other transaction pertaining to the maintenance or conduct of the authorized ACE and charter, or to accept any reward or compensation for services rendered as a director except as may be otherwise provide by law.

The Bylaws of the Corporation, Palouse Prairie Educational Organization, Inc., contain additional detail on the definitions of membership, attendance requirements, vacancies, terms, resignation & removal, ~~election~~ Board recruitment and selection process, officers & duties, meetings, committees, policies and procedures, and self-evaluation of the Board of Directors. Those Bylaws are included in Appendix A. *(modified Feb 2013)*

3. Parental Involvement in Governance

Palouse Prairie School is a partnership between educators and parents/legal guardians. Parents/legal guardians have many levels of opportunity to participate in Palouse Prairie School.

The Board of Directors will include ~~at least two~~ parent or legal guardian members. This allows for significant parental involvement in policy and operation of the school.

Advisory councils will consist primarily of parents/legal guardians. Parents/legal guardians will have an opportunity to be involved in special projects related to different aspects of the school. ~~The Board of Directors will develop a policy to register volunteers.~~

Each parent or legal guardian of any child who is enrolled shall be eligible to vote in any regular or special elections. Parents/legal guardians will have direct input in ~~electing~~ nominating the governing body for Palouse Prairie School as delineated in the Corporation Bylaws.

All board meetings will be public and attendance will be encouraged for interested parents and legal guardians. Open communication will support parental participation. *(modified Feb 2013)*

4. Staff Involvement in Governance

Palouse Prairie School is committed to the empowerment of staff and their involvement in decisions that impact their work. Palouse Prairie School will include staff input in the decision making process. Staff input will be linked to the governance decision making of the Board and will include:

- Encouragement for staff to be present at meetings of the Palouse Prairie School’s Board
- Involvement in the School Improvement Plan
- The opportunity to provide input to the Board of Directors on the annual evaluation of the School Director to be utilized as the Board deems appropriate

- ~~Voting in elections to elect a Board member.~~ Along with school parents and guardians, staff will have a voice in board member selection/nomination, although no employee may serve as a Board member. *(modified Feb 2013)*

5. Business Partnerships

Palouse Prairie School recognizes that external review, feedback, and expertise is an invaluable contribution to the ongoing success of Palouse Prairie School and will actively seek business arrangements or partnerships with other schools, educational programs, businesses, or non-profit organizations as deemed appropriate. Palouse Prairie School intends to establish relationships with multiple supporting organizations, including but not limited to:

- Idaho School Board Association
- Idaho Charter School Network
- Expeditionary Learning Schools, Inc.
- University of Idaho
- Moscow School District

B. Community Relations

1. Public Input

a. Goals

It is a goal of Palouse Prairie School to ensure broad public input in the ongoing effectiveness and validity of the school’s philosophy.

In this endeavor, Palouse Prairie School intends to:

- Involve students in projects within the community that will allow community assessment of the real-world and authentic skills of the students, beyond the assessments that come from mandated testing.
- Publicize the school philosophy and vision statements among parents/legal guardians, students, and patrons.
- Include the school philosophy and vision statements in school handbooks and policy manuals.
- Make all school handbooks and policy manuals accessible to students, staff, and the public.
- Encourage open and honest communications between the Board of Directors, school staff, student body, parents/legal guardians, ACE employees, and the general public in an effort to ensure that Palouse Prairie School is being as effective as possible in meeting the needs of the community.

As outlined in the following sections, Palouse Prairie School intends to implement a solid plan to attract a sufficient and diverse student body, to provide for open communications, and to convey information about the school competently and accurately.

b. Recruiting and Marketing

Palouse Prairie School will actively recruit students for enrollment ~~during the first year~~ through advertisement in a local newspaper, coordination of at least one open public meeting, and announcements at local venues in an effort to attract a sufficient pool of potential applicants that

include disabled, low-income, and racially diverse students. Advertisement of enrollment opportunities will comply with IDAPA 08.02.04.203.02. *(modified Feb 2013)*

c. Information Sharing

Palouse Prairie School’s Director will determine plans for sharing the school's annual report and other relevant information on the school's performance.

d. Public Information Program

The Director will administer the public information program under the direction of the Board of Directors.

2. Parental Involvement

Palouse Prairie School is a partnership between educators and parents/legal guardians. Parents/legal guardians of students who attend Palouse Prairie School will be involved in the education of their children and in the school at many levels. The process to ensure parental involvement will be as follows:

- Parents/legal guardians will receive a student handbook at the beginning of each school year.
- Parents/legal guardians will be encouraged to attend a parental orientation at the beginning of the school year.
- Parents/legal guardians will be encouraged to attend parent/student/teacher conferences.
- Parents/legal guardians will be asked to complete a survey during the school year including the following topics: safety of students, classroom discipline, school-wide discipline, classroom atmosphere, and parental perception of the learning environment and student achievement.
- Parents/legal guardians will be encouraged to be involved in our parent teacher association.
- Parents/legal guardians will be encouraged and welcome to volunteer for school projects, programs and committees.
- Parents/legal guardians will be encouraged to provide an appropriate learning environment at home.
- Parents/legal guardians will be encouraged to communicate regularly with the school. In turn, the school will regularly communicate with the parents and legal guardians.
- ~~• A minimum of two parents or legal guardians will be Board Members.~~
- Parents/legal guardians will be encouraged to attend and participate in all public board meetings.
- Parents/legal guardians will be eligible and encouraged to vote in any regular or special board election. *(modified Feb 2013)*

C. Charter School Financial and Programmatic Operations

1. Annual Reports

As required by Idaho State Law and in compliance with federally mandated programs, the governing board of Palouse Prairie School Board of Directors will submit an annual report to the ACE which shall contain:

- Palouse Prairie School's annual independent financial audit of the fiscal and programmatic operations as required by Idaho State Law. The ACE may choose to do an independent audit at their expense.